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Ukrainian Defense Minister Dismissed

POSTFACTUM reports that on 11 July, in addition to dismissing Ukrainian Deputy Prime Minister Vladimir Lanovoyy, President Leonid Kravchuk "also sacked" Defense Minister Konstantin Morozov. The report notes that the ministers were relieved of their duties "because of their July 2 refusal to sign the statement of the republic's Cabinet of Ministers saying that the government would resign if the parliament refused to divide the powers of the Cabinet of Ministers and the Supreme Soviet."

Russian Army in Armenia on Red Alert

Yerevan Radio reports that "a group of servicemen" tried to seize special communications equipment in Kumayri, Armenia, refusing to show any documents to customs officers. "The servicemen, who witnesses said were not sober, got angry,...jumped into their car, and tried to escape." Law enforcement forces were "compelled to open fire" and 11 persons died—five Russian servicemen, three Armenian law enforcement officers, and three Armenian citizens. The report claims that the Russian press reported the incident "in a provocative way" and states that Moscow news agencies "put all the blame on the Armenians." Russian TV reports that Armenia and Russia exchanged documents on the "attack" on Russian servicemen and that the Russian Army on Armenian territory has been placed on "red alert".

Lithuanian Prime Minister Receives No Confidence Vote

Vilnius Radio reports that "the Supreme Council decided to express a vote of no confidence" in Prime Minister Gediminas Vagnorius, adding that "in a secret ballot, 69 deputies voted in favor of this resolution and six deputies voted against. Two voting papers were declared void."

BALTFAX reports that the Lithuanian Government Information Bureau denied a report stating that Prime Minister Gediminas Vagnorius and other government officials "had long been patronizing the transition of the Lithuanian oil production capabilities into the hands of private owners." The Information Bureau called these reports as "a premeditated distortion of facts for the purpose of compromising the republic's government figures."

Romanian President Visits Byelarus

Bucharest ROMPRES reports that Romanian President Ion Iliescu visited Byelarus and signed a declaration of "mutual understanding and friendly collaboration." The declaration notes that "Romania and the Republic of Byelarus confirm the inadmissibility of the use of force and threat of force in international relations and reject any actions directed against territorial integrity and political independence of any state, against the implementation of the peoples' right to master themselves." INTERFAX notes a news conference by Iliescu at which he confirmed that "Romania was supplying weapons, above all artillery and armored vehicles, to Moldova on a commercial basis. 'We are not supplying any tanks to Moldova,' he said. 'Not a single Romanian soldier or officer is taking part in the hostilities in the Dniester region.'" "At the same time, Iliescu claimed he possessed information that the Russian 14th Army was supplying large amounts of weapons to the 'Dniester separatists and Russian Cossacks.'"

Peacekeeping Force in S. Ossetia To Total 2,000

OW1307171592 Moscow INTERFAX in English 1617 GMT 13 Jul 92

[Transmitted via KYODO]

[Text] The command of the joint peace-keeping forces which are to be brought to South Ossetia agreed to the proposal of the Georgian Defense Minister Tengiz Kitovani to limit the number of forces to be brought at the first stage to 200 people from each side, Kitovani reported in his interview with journalists on Monday [13 July].

He motivated his proposal by the fact that "a great number of forces will experience difficulties in maneuvering" in this dividing corridor where the Russian-Ossetian-Georgian peace-keeping forces will be deployed on Tuesday.

Kitovani underlined that "there are no changes in the schedule of bringing the forces to their positions". They are to begin their movement approximately at midnight on July 13.

Earlier it was decided to bring to Tskhinvali region all the peace-keeping forces totalling 2 thousand people.

Black Sea Fleet Command on Ukrainian Violation

OW1307141692 Moscow INTERFAX in English 1252 GMT 13 Jul 92

[Transmitted via KYODO]

[Text] The military council of the Black Sea Fleet has assessed the conflict in respect to the commandant's office of Sevastopol garrison as another action of the Defense Ministry in Kiev to violate the moratorium on unilateral actions connected with the Fleet. In the statement distributed by the Fleet's press center on Monday, the military council notes that on July 10 the commandant's office of Sevastopol garrison headed by Commandant Lieutenant Colonel Vladimir Zverev and his deputies undertook "an armed seizure of the control point of the garrison's main base and its blockade". They promised on oath to Ukraine and ceased to subordinate to the Fleet's command. In response to this action the commander Admiral Kasatonov ordered to the marines to take the building of the commandant's office under their control.

The press center of the Ukrainian Navy reports that at present Lieutenant Colonel Zverev and a representative of the Ukrainian Navy Colonel Vladimir Indilo went on hunger-strike after deliveries of food products to the building were halted.

The command of the Fleet believes that Ukraine has created "premises for disorder, disruption of units' and guards', patrols', and other duty details' control. The interaction with militia and other structures of the local authorities in case of emergency situation is disrupted. The peaceful life of Sevastopol residents is in danger".

The Military Council of the Black Sea Fleet accuses the Ukrainian Defense Minister Konstantin Morozov who himself as the statement says headed the action.

Six Cosmos Satellites Launched 13 Jul

LD1407085792 Moscow ITAR-TASS in English 0852 GMT 14 Jul 92

[Text] Space Flight Control Centre July 14 TASS—The Cosmos-2197, Cosmos-2198, Cosmos-2199, Cosmos-2200, Cosmos-2201 and Cosmos-2202 satellites were lifted off from the Plesetsk cosmodrome on Monday [13 July]. A single Tsiklon booster put them into orbit.

The satellites carry space research instrumentation. All the six satellites travel along orbits close to the calculated ones with the following parameters:

revolution period—114.3 minutes,
apogee—1,442 km,
perigee—1,422 km,
inclination of the orbit—82.6 degrees.

The satellites have radio systems to measure orbit elements and systems transmitting data on the operation of instruments and scientific equipment.

The scientific equipment is operating smoothly.

The coordination calculating centre is processing incoming information.

Threat of 'Nuclear Terrorism' Assessed

PM1407102492 Moscow ROSSIYSKIYE VESTI in Russian 14 Jul 92 p 2

[Article by Sergey Ovsiyenko and Nikolay Rafayenko: "Are There Any Guarantees Against Nuclear Terrorism?"]

[Text] Every one of us could fall hostage to nuclear blackmail. Society ought to know the nature of the threat, so as to ward it off in time.

In a situation in which many people are dissatisfied with the existence of AES's [nuclear power stations] in principle, various political and even criminal associations are inwardly prepared to use AES's to blackmail their governments, and certain AES's, such as the Armenian, could at any moment find themselves in a zone of hostilities; we should give serious thought to the safety of our nuclear facilities. They are already in real danger. The operational personnel at the Armenian AES, for instance, received letters on a number of occasions in 1990 in which the "people's avengers" threatened their children and grandchildren if their demands are not met. According to the Russian Security Ministry's information, the leadership of the Kursk, Rostov, Smolensk, and other AES's received letters on a number of occasions in 1991 containing threats of a terrorist nature and warnings of an explosion.

In 1990 the terrorist organization "Committee for the Defense of Arab Political Prisoners' Rights," with the aim of

freeing that organization's members the 'Abdallah brothers, prepared a car bomb. The would-be martyr driver was to break through to the buildings of a French AES and force the authorities to make concessions under the threat of a nuclear explosion. The French special services managed to avert this barbaric act at the last moment.

That was just one of dozens of attempts by terrorists in the United States, Western Europe, and Latin America to use AES's, nuclear materials, or their waste products to blackmail the government or strike "blows in retribution." Back in 1986 the American special services drew up a list of 111 organizations which could use weapons of mass destruction to achieve their goals. Now, also in the United States, about 10 cases are recorded annually of various terrorist groups and organizations intending to resolve their problems with the help of nuclear blackmail.

Who can say when these letters are a bluff, and when they are serious warnings? Who can guarantee that one day an AES employee, terrified of the threats or bought for good money, will not start cooperating with the terrorists?

The leader of one Armenian militant group has stated openly that there are a lot of electric power stations around Moscow and that among their operating personnel there are people who are fond of money. These factors could be exploited if the Moscow leadership behaves "incorrectly."

Could a former citizen of the USSR, now a citizen of one of the sovereign republics, venture upon such crimes? Yes, he could! In today's political struggle a nuclear device is a symbol of power, it means recognition for that terrorist group at state level. A nuclear device is a mighty symbol of coercion capable of bringing any country's government to its knees, destabilizing society, and causing psychological shock in any citizen. Baumann (nickname Bommi), one of the leaders of the "2 June" movement (Germany), expressed this view about a nuclear device: "Anyone who possesses something like that could make the federal chancellor dance on the table in front of the television cameras."

The possession of a nuclear device gives you the opportunity to declare yourself to the whole world, even without blowing anything up. Therefore, despite the difficulties of organizing such actions, more and more large terrorist formations are beginning to give preference to this. The resulting deaths of millions of people whom ethnic or religious fanatics automatically regard as enemies will not stop them.

Is it in the terrorists' power to create a nuclear device themselves? According to a study by the U.S. Rand Corporation expert group on terrorism, there is sufficient technical information in the mass media and in various popular publications to manufacture a small nuclear device, provided you have certain knowledge. The materials can be obtained comparatively easily on the "black market" for weapons, or else stolen. In Britain, for instance, for several years now they have been looking for 16 km of 90-percent enriched uranium mixed oxide which disappeared, no one knows where to. Experiments in the United States have shown that a nuclear device can be made by using reactor plutonium from ordinary AES's without the need to obtain enriched uranium.

The possibility is not ruled out of an attack on transport facilities carrying nuclear waste with the threat to blow it up in order to contaminate the environment. Cases have already been recorded in the world where terrorists tried to disperse plutonium via ventilation channels and the water supply (in Rome in 1974, and in New York in 1985).

Can our state guarantee its citizens' safety against nuclear terrorists?

Throughout the world the special services are working on such cases, exposing possible preparations for such actions from "a long way off." All AES employees undergo thorough preliminary investigation before being accepted for work, and the national security services closely monitor their day-to-day activity.

Within the structure of the Russian Federation Security Ministry and the Russian Federation Ministry of Internal Affairs there are special subunits for combatting terrorism, including nuclear terrorism, and special regimes exist for the physical protection of nuclear materials. Special units are on guard at nuclear facilities...

But there is a paradox here. Under USSR Council of Ministers Directive No. 572 of 12 April 1990, the financing of these special subunits is the responsibility of the nuclear facilities that they guard. But can AES's, for instance, maintain these units, provide for their professional training, and improve the protection regime, when, like many other industrial enterprises, they are in a difficult financial position? Experience suggests that the answer is no. Some nuclear facilities have long since ceased to be the impregnable fortresses they were five to 10 years ago. Even well equipped staffers of special subunits who have not been trained in realistic conditions (this again requires financial expenditure on the part of the nuclear facilities) are not secure against irremediable mistakes which will cost us all dear.

As the saying goes: Don't cut off your nose to spite your face. Is it really beyond our powers to create an effective professional system for protecting nuclear facilities and formalize it in legislation?

International Affairs

Rutskoy Returns to Moscow From Moldova

LD1407105192 Moscow ITAR-TASS in English 0922 GMT 14 Jul 92

[By ITAR-TASS correspondent Vasiliy Titov; ITAR-TASS issues kill of this item at 1055 GMT on 14 July]

[Text] Moscow July 14 TASS—Russian Vice-President Aleksandr Rutskoy returned to Moscow on Tuesday [14 July] after negotiations with the Moldovan leadership and the leaders of the Dniester area.

A news conference by Rutskoy on the results of his tour is expected in the afternoon.

Gaydar Grants Interview on Ossetia, Dniester

LD1307132692 Moscow ITAR-TASS in English 1307 GMT 13 Jul 92

[Report by ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow July 13 TASS—"Tomorrow morning three battalions of peace-keeping forces in Ossetia, set up by Georgian, Ossetian and Russian sides, must begin deployment to disengage warring factions and take under control a stretch dividing the warring factions in Ossetia," acting Prime Minister Yegor Gaydar said in an exclusive ITAR-TASS interview on Monday [13 July].

"I hope that it will mark a serious step towards settling this grave conflict," he emphasised.

Replying to a question on the situation in another trouble spot—the Dniester region—Gaydar recalled that in principle an agreement was reached to deploy multilateral disengagement forces there. "It is highly necessary because the current process of partial stabilisation cannot be durable," he said. The Russian Government, he continued, is dealing with practical issues connected with "the deployment of military units that must perform a peace- keeping role in the Dniester conflict".

Speaking about the proposal to set up a coordinating economic body of the CIS, proposed last Monday in Moscow at a meeting of the council of heads of state of the CIS, Gaydar said that this body cannot be called the government of the Commonwealth. He added that member countries of the CIS "undoubtedly, will gradually develop into a system of coordinating bodies of the Commonwealth similar to those in the European Community."

If such a coordinating economic body of the CIS is created this autumn, can one speak about the Commonwealth becoming a confederation by the end of the year?

"I would make forecasts with caution," Gaydar said. According to him, "it is inevitable that the CIS will have different forms of membership and some states will be interested in forming a viable system of coordination, largely of the confederation type."

Khasbulatov Meets With U.S. Ambassador

LD1007132392 Moscow ITAR-TASS in English 1219 GMT 10 Jul 92

[Report by ITAR-TASS correspondent Aleksey Tabachnikov]

[Text] Moscow July 10 TASS—Chairman of the Russian Parliament Ruslan Khasbulatov criticised the Russian Government's taxation policy at a meeting on Friday [10 July] with U.S. Ambassador Robert Strauss.

Khasbulatov described government measures in taxation as "absolutely incorrect, unprofessional, and strangling the industry". According to him, not only enterprises close down due to it, but even regions, territories and republics refuse to pay taxes to the federal budget.

Khasbulatov said the taxation policy paves the way for "a new war communism" [as received]. He favoured exempting imported goods and investment into industry from taxes.

U.S. Talks on Global Defense System Begin

LD1307175892 Moscow ITAR-TASS World Service in Russian 1640 GMT 13 Jul 92

[Text] Moscow, 13 Jul (ITAR-TASS)—In accordance with the joint Russian-U.S. statement signed during the recent visit to Washington by Russian President Boris Yeltsin, high-level bilateral consultations with regard to studying practical steps to elaborate a mutually acceptable world community global defense system began today.

According to a report by the Russian Foreign Ministry Department of Information and the Press, Georgiy Mamedov, Russian deputy minister of foreign affairs, heads the delegation of the Russian Federation, and Dennis Ross, chief of the Policy Planning Staff of the U.S. Department of State, heads the U.S. delegation.

Dennis Ross was also received today by Russian Foreign Minister Andrey Kozyrev. The most topical bilateral and international questions were discussed, in particular how to rapidly settle armed conflicts in Yugoslavia and on the territory of the CIS.

Yeltsin on Equity Swap for Debt Relief

LD1207193892 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1800 GMT 12 Jul 92

[From the "Itogi" program]

[Text] Having returned to Moscow today, Boris Yeltsin promised journalists he would soon hold a detailed news conference on the results of his visit to Munich and Helsinki. For the moment, here is a snap interview for the program "Itogi" at the steps of the aircraft. Replying to a question as to whether there was any truth to the report that in Munich Russia offered the G-7, in exchange for reducing the foreign debt, rights for

Western firms to exploit mineral resources and own property, the president said:

[Begin Yeltsin recording] Everything must be in accordance with our laws. We have a law, adopted by the Supreme Soviet, on mortgaging—fine, go ahead. We have laws regarding ownership of plots of land, where property is being privatized—fine, go ahead. Everything must be in accordance with the law; there are no other privileges or deviations from the law. [end recording]

Foreign Minister on Debt Proposal

LD1207224392 Moscow Radio Rossii Network in Russian 1900 GMT 12 Jul 92

[Text] Russian Minister for Foreign Economic Relations Petr Aven has denied the assertion of certain mass media that the talks of Russian President Boris Yeltsin with the leaders of the G-7 in Munich had the character of bargaining, which in essence was the exchange of Russian natural resources for wide-scale Western aid. Petr Aven said that such an interpretation of the essence and the tone in which the talks were held was completely wrong. According to him, in Munich Boris Yeltsin stated, in particular, that there was a readiness to discuss the possibility of converting debts into property. The minister explained that this would allow the clearing of millions in debts of Russian enterprises to Western firms in exchange for the granting of property rights.

However, as Petr Aven stressed, such a means of solving the debt problem should be applied with full observance of the existing legislation. According to him, Western firms will be partially admitted into only those spheres of the Russian economy where participation of foreign capital in privatization is allowed.

Yeltsin Says G-7 Package To Be Used for Harvest

OW1207163492 Moscow INTERFAX in English 1444 GMT 12 Jul 92

[Transmitted via KYODO]

[Text] Russian President Boris Yeltsin speaking at the end of his tour of Munich and Helsinki said the $1 billion aid package which G-7 leaders had released to Russia with no strings attached would be used to take in and store this year's crops.

He told INTERFAX correspondents at Moscow airport that the prospect of this year's harvest was annual average or a bit higher than in 1991.

The president described the task of gathering and preserving this year's crops as a crucial point at this stage of reform saying that in the long run, the question was one of the people's health and spirits.

And he also added that the first tranche would be followed by G-7's credit of $6 billion to help stabilise the rouble. Yeltsin said the rouble would first be floated before being made fully convertible.

The Russian leader declined to reply to further questions saying his talks in Munich and Helsinki were very important but he did not want to give brief answers. He promised to meet with reporters in the next few days to be able to answer their questions in detail.

Foreign Ministry Official Comments on G-7 Meeting

OW1307140392 Moscow Central Television First Program and Orbita Networks in Russian 1845 GMT 8 Jul 92

[Interview with Aleksey Kvasov, senior official of the Russian Ministry of Foreign Affairs, by Sergey Goryachev from the "Utro" program—live]

[Text] [Goryachev] So the G-7 conference in Munich is over, and a green light has been given to releasing the $24 billion aid package to Russia. Meanwhile, we are talking about a billion. Aleksey Kvasov, our guest in the Utro studio, will tell us about this in greater detail. Good morning and welcome. Although he is a high-ranking official at the Russian Ministry of Foreign Affairs, we have agreed that today he will express only his own opinions and emphatically not speak on behalf of the Russian Federation Government. Aleksey, what does this billion mean for us? What is it? How shall we feel it?

[Kvasov] This billion is only the beginning, but I will begin with a different issue. The most important thing that has happened in Munich is the firm political support for our reforms. For the first time, the needless diplomatic opulence was omitted. Second, we have approached, more than ever before, not just the G-7 plus one formula, but G-8. By the way, you might have noticed that U.S. President Bush, while talking about the results of the main part of the Munich summit at his news conference yesterday, has slipped up several times and used eight instead of seven, which is very symbolic.

[Goryachev] One could suppose that it was done on purpose.

[Kvasov] I do not know about this, but it is symbolic nevertheless. As to the economic aspect, this billion is the first from the billions of dollars which are supposed to be extended to us during the current year through international financial organizations.

[Goryachev] But what is it? What does it mean for you and me, for the people who are watching TV now? They will read today in the newspaper that we are getting a billion dollars. How will it be...

[Kvasov, interrupting] The first billion and those that will follow through the International Monetary Fund and the World Bank will be utilized for the so-called critical import; that is, not things that we can just gobble up and then have to pay for. It will be for the import of raw materials that the idling factories need so much, and of components, sometimes insignificant in price but without which industrial giants falter, and it will be for

medicine for children's hospitals. In short, these will be some very important things. It is not for nothing that this is called critical import.

[Goryachev] Maybe even bread will be included?

[Kvasov] As for bread, it is covered by a different portion of the 24 billion. Among other things, we are now receiving a $600 million credit guarantee for purchase of U.S. agricultural products from the United States; $300 million, which is the second part of this $600 million package announced on 1 April this year, is in the process of final acquisition.

[Goryachev] Aleksey, you are saying, if I have understood you correctly, we will not have to pay this debt back. Have I understood you correctly?

[Kvasov] No, as to credits...

[Goryachev, interrupting] If they give us money now, we will probably have to pay it back.

[Kvasov] As to credits, they are always paid back. There is another very important side to the Munich meeting. It is the very strong and firm support of President Yeltsin's appeal, on behalf of Russia and other states of the former USSR, to postpone the payment of debts. Postponement of debts means real money because instead of returning today and tomorrow what we owe, we can use the money that we earn from exports to purchase goods that we need today.

[Goryachev] I am getting an impression that our government has made foreign aid one of the key points in its political discussions with the parliament. Is this a false impression?

[Kvasov] I think that this is really a false impression. The talks with international financial organizations and with the G-7 countries are very complicated and demand a high degree of professionalism from both the diplomatic service, the representatives of our foreign economic departments, and the government's best experts. Regrettably, the mind-boggling sum of 24 billion obscures the tense and meticulous work done on the separate components of this sum. Its actual meaning is not easily comprehended.

I would even say that the 24 billion, which includes billions from the International Monetary Fund and the World Bank, is not the main thing. It is important because it opens the way for foreign investments. What is more, what happened in Munich and the realization of the $24 billion package is a real and major step towards our integration in the world economy.

[Goryachev] You mention integration in the world economy. I could say that you cannot make much of of it. Am I wrong?

[Kvasov] I think that you are totally wrong. It is true that the integration into the world economy is routinely mentioned, but these are quite tangible things. For example today, four-fifths of the planet is covered by global, or near global communications networks. They insure the dissemination of computer information and video imaging. A fifth of the planet's surface—that is Russia and some of the states of the former Union—is all that remains. If we complete this circle, we will attain not only the highest efficiency in delivering and exchanging information with the rest of the planet, but it will also bring closer the day when even the most remote Russian village will have a telephone and a television cable. When Russia joins the global transportation networks and they are optimized, a similar thing will happen. Finally, it means that our technological developments, which are just gathering dust now, will be realized as concrete goods and equipment. Their sales will bring our long suffering people the level of life that they actually deserve.

[Goryachev] Indeed. So you have no more problems with your Western partners, and this first billion is just a first step? Or is it that some problems remain and we will not be able to count on the rest of the money as easy as that?

[Kvasov] The question is not the money but the real problems. I would say that the real problems are the problems that not only prevent us from receiving someone else's money but from making our own.

[Goryachev] Yes.

[Kvasov] There are problems here with fair conditions of access to the Western markets for our exporters, their ability to realize the highest technologies that we possess, and the ability to convert the potential of our defense industry so that it could turn real profit, which too allows us to improve our lives...

[Goryachev, interrupting] This means that Russia must defend its interests.

[Kvasov] Absolutely.

[Goryachev] Speaking of which—how did you find Russian President Yeltsin in Munich? We have followed TV reports together.

[Kvasov] If a Russian citizen speaks about it, he will be suspected of flattery, but one should listen to how President Bush has defended Yeltsin today and how many times he used the words firm, confident, and purposeful when speaking of our leader.

[Goryachev] Very well. Aleksey, I thank you for coming to the Utro program today. This was Aleksey Kvasov from the Russian Ministry of Foreign Affairs.

Commentary on G-7 Summit Political Declaration

OW1307030792 Moscow Radio Moscow in Japanese 0900 GMT 10 Jul 92

[Commentary by journalist Vsevolod Ovchinnikov: "The Results of the Munich Summit"—read by announcer]

[Text] President Yeltsin attended the Munich summit. It is safe to say that to some extent, the Japanese Government fulfilled what it had hoped at the Munich summit, because the Political Declaration adopted incorporates the northern territories issue. Summit participants welcome Russia's commitment to a foreign policy based on the principle of law and justice and pointed out that the policy will greatly contribute to the normalization of relations between Russia and Japan. The previous London Summit, which took a seven-plus-one form, used indirect language to refer to the territorial issue. The seven industrial nations asked Russia to apply its new thinking diplomacy to Asia.

Japan has made unprecedented efforts to gain not only understanding but support from the other seven industrial nations for its position on the territorial issue. It is clear that the leaders of the North American and European nations have never been inclined to give their understanding or support for Japan's position on the issue because the exploitation of the multilateral mechanism and authority of the seven industrial nations as a means to settle bilateral disputes may set a dangerous precedent. It is also clear that the summit participants could not defer Russia's repayment of its external debts nor decide to provide assistance to Russia to help promote democratic reform, without Japan's consent or against its will.

To keep various positions balanced, it is necessary to reach a compromise. In the end, however, the seven industrial nations decided to incorporate the territorial issue into the Political Declaration. Article 9 of the declaration will not serve as a means to enhance Japan's interests nor put great pressure on Russia. Will the Political Declaration promote the complete normalization of relations between Russia and Japan? Will this declaration have a favorable effect on public opinion in Russia? Needless to say, the other seven industrial nations cannot urge Japan to help Russia's efforts to improve nuclear power plant safety in defiance of Japan's wishes. It can also be said that any collective pressure on Russia will produce nothing. Shortly before his departure for Munich, President Yeltsin made a forthright statement concerning the territorial issue. Japan agreed with the other seven industrial nations on providing large-scale assistance to Russia at the Munich summit; this will be helpful in finding ways acceptable to both sides for a solution to the territorial issue at the Russo-Japanese summit talks in Tokyo. Therefore, let us wait until September.

Commentary on Yeltsin's 'Success' at Munich

PM1407091992 Moscow IZVESTIYA in Russian 11 Jul 92 Morning Edition p 4

[Stanislav Kondrashov commentary: "Munich, Helsinki, and What's More—Moscow"]

[Text] Just one day separated Munich from Helsinki in a week which for the Russian president became a double, and perhaps his most important, appearance under the world "spotlight," where reputations are made and broken. Strange though it may seem to us, it was George Bush who was most affected by this (dethronement): U.S. analysts are of the opinion that he lost in Munich and that he failed to bolster his status as a world leader, which will do nothing to facilitate his battle for reelection to the White House.

Yeltsin's task was more modest—to ensure that the select club of the "big seven" acknowledges Russia as a full-fledged partner whose success or failure in a post-confrontation world will ultimately be shared by all. In the capacity of a partner, he opted for the reliable tactic of not requesting but insisting on, even demanding, practical and immediate aid for the Russian reform. This tactic brought him success.

The very same "Munich-seven"—minus Japan—but plus the 45 participant-states in the general European process, met in Helsinki. Of these, 15 newcomers, including Russia, had entered the arena of world politics thanks to the collapse of the Soviet Union. The Helsinki configuration proved far more complex than that of Munich not only because of the proliferation of meeting participants but more importantly because of the abundance of sharp edges deriving from the collision and intermingling of democratic and nationalist revolutions, often in an extremist form. This volatile mixture is supplemented by suspicions—valid or for a purpose—of persisting Russian imperialist ambitions.

The unresolved problems of the "divorce" of the former Soviet republics emerged against the even more dramatic backdrop of the flowing blood of what was Yugoslavia—and in the absence of the new Yugoslavia, reduced now to Serbia and Montenegro and temporarily not participating in the CSCE because of the Belgrade leadership's position in respect of Bosnia and Hercegovina.

Thus, by contrast with Munich, Western democracies found many new partners—apart from Russia—and many new problems in Helsinki. It is a turning point in history. A new world is being built, one in which the inhabitants will have to adopt a fresh outlook, defining the degree of what is acceptable and what is actually possible with respect to one another. How, for example, is it possible to maneuver between the Baltic states' legal right not to have foreign, that is Russian, troops on their territory and Russia's wholly understandable reluctance to withdraw them into "empty fields," adding fuel to an inflamed atmosphere and, moreover, amid increasing discrimination against the Russian-speaking population left behind? How can further deaths in the Dniester Region be avoided?

Clearly, the warring sides need international restraint mechanisms. This is one of the most important questions at Helsinki. These mechanisms, undergoing practical testing at Sarajevo Airport, will be projected one way or another onto Nagorno-Karabakh, Ossetia, and the Dniester Region itself. A UN mission visited the Dniester

Region but without obvious results. It was decided to send international observers to Nagorno-Karabakh. The post of CSCE Special Commissar for the Defense of Minority Rights is being created. He will find a great deal of work on former USSR territory, and it would seem to be in our interest to ensure that he possesses sufficient authority and powers. In the chaos which is called the Commonwealth of Independent States, sanctioned international intervention could be preferable to and more effective than a "domestic sort-out."

Such are the hallmarks of the new world. It is extremely important that the authority of the international mechanisms be recognized by the various tendencies and different colors of the political spectrum both in Russia and in nearby foreign lands.

Boris Yeltsin was showered with praise in Munich. The thinking behind such praise was expressed by Helmut Kohl in the manner of a Caucasian toastmaster: "Your success is our success too." Compliments in Helsinki were out of place if only because, for diplomacy's sake, they would have had to be extended to all 15 of "our" presidents in order not to violate today's sense of respect.

But of course it is not this which made the meeting in the Munich select club more important in practice than the Helsinki one. Exercising his rights as a partner, the president demanded not words but deeds, and received—as of the beginning of August—the first guaranteed billion dollars of the 24 billion promised by the IMF. Furthermore, he received firm promises for approximately 3 billion more at a later date. The IMF's "all clear" is flashing up yellow warning signals, but nevertheless it would seem that the allocation of $6 billion for the ruble stabilization fund has been secured in advance.

Yeltsin's chief demand was for the deadlines for foreign debt repayments to be deferred for a minimum of two years. This would release many billions for solving urgent reform problems at this, its most difficult stage. As we know, a practical solution was left for the "Paris Club" representing the creditors of 18 countries: It will convene in the second half of July.

Thus, having completed a parallel state visit to friendly neighboring Finland, Yeltsin returns home with the Munich success and the Helsinki questions. He, as leader of post-Communist Russia, was more highly rated in Munich than Gorbachev was in London a year ago at the actual "G-7" meeting, but like Gorbachev, he can be certain that things are done more easily abroad, with other states, than at home. At home, judging from the polls, three-fourths of the population still have no faith in the success of the government's economic policy, and even in Moscow, which just three years ago was the starting block for Yeltsin's political come-back after he had been spurned by the CPSU Central Committee Politburo, five times as many people (27 percent as opposed to five) believe that they lived better under Brezhnev than Yelstin.

Will Western aid help this crisis of public temperament? The answer will depend on when it arrives and how effectively it is used (it must not vanish into thin air, and it must not go to mafia structures.)

The German newspaper FRANKFURTER ALLGEMEINE writes after Munich: "Yeltsin will have to learn not only to demand, but also to work effectively." This, clearly, is the simplest wording of a most difficult task for the president, the government, the parliament, and for us all.

Helsinki Report Cites Kozyrev on CSCE Talks

PM1307152992 Moscow KOMSOMOLSKAYA PRAVDA in Russian 11 Jul 92 p 5

[Report by correspondent G. Sapozhnikova containing interview with Russian Foreign Minister Andrey Kozyrev; place and date not given: "Europe 92: Ghost Departs. Alarm Remains"]

[Text] Helsinki—There was probably not a country participating at Helsinki whose representative did not mention the problem of national minority rights and ethnic conflicts in his speech. Even the state secretary of the entirely peaceful principality of Monaco noted sadly that the CSCE has regularly closed its eyes to the fact that the the Final Act had been broken on more than one occasion and that the CSCE is not equipped to intervene effectively in conflicts, even less so to avert them.

Everybody waited for Yeltsin's speech, and from first thing in the morning the press center followed intensely the movements of officials from his staff. Everybody was awaiting a sensation, but it did not happen. Yeltsin spoke in diplomatic formulas: "The ghost of communism has departed from within Europe's boundaries forever. Russia is deeply conscious of the danger of the aggressive nationalism which is replacing conflicts between ideologies."

If we are to talk about the most emotionally colored speeches and the figures who provoked the greatest excitement—there was, of course, Vytautas Landsbergis, who persistently tried to prove that the differences between the USSR of 1940 and Russia today are practically nonexistent. The style of certain generals' pronouncements reminds Landsbergis of Vyacheslav Molotov, and the fact that Russia simply cannot turn its back on the Baltics and leave after slamming the door is interpreted in Lithuania as the desire to retain a sphere of influence for itself. Vytautas Landsbergis's speech somewhat offended the Russians, and Andrey Kozyrev commented on it thus: "Essentially, these are the former USSR's troops, Russia did not put them there. And it seems to me that in general the fledgling Baltic states, which obtained their independence first and foremost thanks to democratic forces in Russia, ought to recognize their moral obligations and not repay the Russian democrats by posing the question incorrectly and violating human rights."

There are several documents that were adopted at the conference, and all are of the utmost importance. In the first place there is the Agreement on Limiting Personnel in the Participating States' Conventional Armed Forces. The presidents, heads of state, and foreign ministers signed these agreements.

Apart from this they signed a statement on Yugoslavia. Its fate was uncertain up to the last moment. Russia stubbornly insisted that responsibility for the war lay with all the sides and not just with Serbia and that it was a question of particular—and not exclusive—responsibility. The following form of words represented a compromise: "The main responsibility for this lies with the authorities in Belgrade."

The Helsinki meeting's main document "The Challenge of the Time of Change," which together with two others—the Helsinki Final Act and the Paris Charter—are called "Europe's collective conscience," is also doubtless worthy of our attention. Briefly, its essence is to strengthen the CSCE's structure, to appoint a commissar on questions of national minorities, and to attempt to create a mechanism to avert conflicts at an early stage and settle crises.

Here Russian Foreign Minister Andrey Kozyrev comments on the results of the CSCE specially for our newspaper.

[Sapozhnikova] Are you satisfied with the summit's results?

[Kozyrev] The result is what we expected and toward which we were moving. As you know, we tried from the very beginning to move from the rapprochement of the two blocs to working jointly. Second, we made use of those principles and solemn documents which had already been formulated. It was from these two negative elements [passivy] that our formula was born: from the CSCE as a forum to the CSCE as a mechanism for cooperation. Naturally, this affected precisely those questions which were of most interest. There were some abstract areas there, and to be precise those which are causing us pain, i.e. ethnic and interethnic conflicts. The second thing which bothers us is the growth of aggressive nationalism. That there are war parties throughout the whole area here, not only in the former Soviet Union but in the whole of the former socialist camp, is a fact.

[Sapozhnikova] Was there any particular thing which did not satisfy you?

[Kozyrev] Of course. For example, we wanted a more definite direct decision on the Dniester region to be adopted. We agreed among ourselves within the CSCE framework: Ukraine, Russia, and Moldova were to withdraw their forces and buffer forces would be created, but it would, of course, be more desirable if a direct mandate were to be received from the CSCE for these forces' actions.

Helsinki Envoy Comments on Finnish Ties

PM1007144092 Helsinki HUFVUDSTADSBLADET in Swedish 4 Jul 92 p 3

[Report on interview with Russian Ambassador Yuriy Deryabin by Katarina Koivisto; place and date not given]

[Text] The question of how neutral countries are to be able to preserve their neutrality as members of the EC is not an easy one; the crux of the matter is to find the right way to implement the Maastricht treaty in concrete terms. "I am happy that Finnish neutrality is no longer our problem," Russian Ambassador to Finland Yuriy Deryabin said. "This should not be taken to mean that I am happy that other people have problems and I understand that it is an economic necessity for Finland to join the EC. Both Finland and Sweden and other neutral countries will have to work hard to fit membership and neutrality together, but they clearly believe that this is possible."

However, Deryabin pointed out that Russia is not indifferent to Finnish EC membership. Russia views it more as an economic matter than a political matter; the important thing is to make sure that trading relations between Finland and Russia are not hampered by Finland's joining the EC.

Trade and the economy will be one of the main topics on the agenda when Russian President Boris Yeltsin stays on in Finland after the CSCE summit for a state visit at the end of next week. The other main topic will be political relations between our two countries and Deryabin makes a distinction between the two topics—political relations are problem-free, but in the economic sector there are many problems.

"But the basic facts have not changed since Finland and the Soviet Union employed a system of bilateral clearing trade," Deryabin said. "Industry in Finland and industry in Russia can complement each other. Just as Russia needs Finnish know-how and Finnish technology, Finland needs Russian know-how and Russian technology."

The special account which Russia decided to set up to promote trade between Finland and Russia will take a step closer to implementation even before Yeltsin's visit. The idea is to open an account in one of Finland's banks—probably the Bank of Finland, but possibly one of the commercial banks—in which Russian companies with exports to Finland could deposit some of their income and then use this money for purchases in Finland.

The aim is that the agreement with the Finnish bank will be ready before Yeltsin comes.

The special account does not in itself mean automatic Russian imports, the Russian ambassador pointed out. In order to engage in trade Finnish companies must make active export efforts and be able to offer competitive products. The money could also be used to buy services from Finland.

"We have made use of special accounts in our dealings with some of the East European countries with which we previously had clearing trade and I have to admit that they have not been without problems," Deryabin said. "But a special account does at least give us a means and an opportunity to work toward the future."

However, during Yeltsin's visit an attempt will be made to find a model for a solution to the old problems which remain in Finnish-Russian trade such as unfinished clearing deals, unsettled debts, and delays in Russian payments to Finnish firms. During the visit it will be possible to sign the agreement on a credit framework of 500 million markkas which Finland has already granted Russia to complete the clearing deals. Intensive work is taking place in Russia to grant the foreign trade bank, Vneshekonombank, the authority to guarantee credit on the Russian side, since the Credit Guarantee Center on the Finnish side is able to do the same.

One problem is that Vneshekonombank still has no official status as Russia's foreign trade bank and this is a problem that people are trying to solve quickly. Deryabin said that he does not know why the confirmation of the bank's status is taking so much time and said that he understands Finland and other Western nations which want things in black and white, over and above the word of Russian Central Bank chief Yegor Gaydar.

On the subject of the delayed payments from Russia to Finnish companies Deryabin warned against building up too high hopes prior to Yeltsin's visit. It may be possible to draw up a list of priorities setting out the order in which the debts are to be paid, but Russia cannot pay back everything at once.

Finland's remaining claims on Russia and the other former Soviet republics run to billions, although payment is not yet due on all of them. Finland and other Western European countries are formally negotiating these claims through the so-called Paris Club.

Deryabin said that he has been surprised that there are Russian debts to many firms in Finland which are partly Russian-owned, such as Teboil. He is most worried about small firms which are not being paid what they are owed.

Nor are the joint venture companies working in Russia having an easy time of it at present. For example, their foreign currency is frozen in Vneshekonombank and Deryabin thinks that one of Russia's most important tasks should be to strengthen the position of joint venture companies. If functioning joint venture companies cannot provide a good example and are instead closed down, this does not bode well for future investments in Russia.

Deryabin said that Finland and Russia have several well run joint venture companies and mentioned Ladenso and Enocell with their cooperation in forestry and wood processing on both sides of the border in Karelia as an example. They are joint venture companies which not only use Russian raw materials; they also introduce new technology and new environmental thinking.

The ambassador hopes that the agreement on the protection and guaranteeing of Finnish investments in Russia will be ready for signature during Yeltsin's visit. The other agreement that should be ready deals with how a company's profits can be moved to its home country.

Deryabin said that Russia must be able to make enough progress to enable Vneshekonombank to guarantee foreign companies' trade with Russia in some way, for it is clear there is a need for something along these lines.

"But at the same time I think that businessmen have to be able to take sensible risks in their activities. It is of course easy for me—who have no money to invest—to say this, but it is abundantly clear that Russia is an important, a boundless market for Finland; it is important to be in from the start when it is opened up. Our president has also said that anyone outside in two years will remain outside."

Cross-border cooperation is an important part of the cooperation between Finland and Russia, Deryabin said. During Yeltsin's visit it will be possible for the two sides to note that there are no formal barriers to cooperation so that working groups can begin to work on concrete cooperation projects.

Cooperation projects include agriculture and forestry in Karelia and the St. Petersburg region and several road projects, including one running from Oulu through Karelia and on to meet the Transsiberian Railway.

"I would like to broaden the cross-border concept to include not only Murmansk, Karelia, and St. Petersburg but also Novgorod and Arkhangelsk, for example; that is, the whole of northwestern Russia. That region ought to be able to work together not only with Finland,but also with the Nordic area and northern Europe."

Discussions on most questions will be completed before President Yeltsin begins his visit, Deryabin said. Presidents Yeltsin and Koivisto will then be able to concentrate on discussing major future cooperation projects in the economic field, such as the extraction of natural gas in the Stokmanovskoye field in the Arctic Ocean and the energy master plan which Finland will draw up for Russia.

Federation Affairs

Latest Russian Government Appointments Reported

PM1307120192 Moscow ROSSIYSKAYA GAZETA in Russian 11 Jul 92 First Edition p 1

[Unattributed report: "Appointments"]

[Text] By a decree of the Russian Federation president, Ilya Yakovlevich Kalinichenko has been relieved of his duties as Russian Federation state counselor for questions of border protection in connection with his transfer to another post.

By a decree of the Russian Federation president, Anatoliy Iliich Rakitov has been relieved of his duties as counselor to the Russian Federation president for questions of scientific and technical policy and information technology, due to his appointment as director of the Information and Analysis Center of the Russian Federation president's administration.

By a decree of the Russian Federation president, G.S. Khizha, deputy chairman of the Russian Federation Government, has been approved as chairman of the Russian Federation Commission for Export Control. These duties were previously carried out by Ye.T. Gaydar.

Parties Suspend Activities in National Assembly

LD1307032192 Moscow Radio Rossii Network in Russian 1100 GMT 12 Jul 92

[Text] The People's Social Party and the National Republican Party have suspended their activities within the framework of the Russian National Assembly, the ANI agency reports from St. Petersburg. The Russian National Assembly is headed by Aleksandr Sterligov, a former KGB general and affairs administrator of the USSR Council of Ministers.

The two St. Petersburg nationalist groups explain their move by the fact that the communist nomenklatura has, within the framework of the Russian National Assembly, been attempting to gain a firm grip on the Russian nationalist movement and return to power. According to Yuriy Belyayev, a deputy of the St. Petersburg soviet and leader of the People's Social Party, the increased activities of the Reds are a threat to civil rights and liberties in Russia.

Government Accepts Aviation Fund Proposal

OW1307174792 Moscow INTERFAX in English 1604 GMT 13 Jul 92

[From the "Presidential Bulletin" feature; prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; transmitted via KYODO]

[Text] IF [INTERFAX] learned from reliable sources that the Russian government had accepted a proposal of the republican air force on the establishment of a Russian Aviation Fund, together with other organizations. This structure will be responsible for the extrabudgetary funding of aircraft building programs, including the development and manufacturing of transport, export combat, sports and training planes and aircraft, as well as the sales of new and used armed force equipment in the country and abroad. The sales should be through the state foreign economic company Spetsvneshtekhnika. The Russian Cabinet charged the air force with developing a draft state program for short-term priority measures to develop the air force, based on budget financing, attraction of domestic and foreign investors as well as funds generated from the sale of aircraft equipment on the domestic and foreign markets.

These sources report that the Russian Federation Cabinet of Ministers had authorized the Russian navy to market at home and abroad antiquated ships and those struck off the inventory, aircraft, scrap ship metal, oil wastes, etc.[sentence as received]

It is also known that the government charged the ministry of science, higher education and technological policy with allocating part of the total Russian budgetary appropriations to the Industry Ministry for it to finance R & D to develop ecologically benign and safe technological processes to process elements of ammunition into civilian-use products. Other measures are provided for, the purpose of which is, among others, to rule out the possibility of unapproved sale of ammunition and its elements.

Yeltsin Allocates Funds To Subsidize Farming

LD1307151592 Moscow ITAR-TASS in English 1148 GMT 13 Jul 92

[By ITAR-TASS correspondent Aleksandr Dzyublo]

[Text] Moscow July 13 TASS—The Russian president's decision to allocate one billion dollars from credits granted by the Group of 7 to solving harvesting problems instills optimism that crops will be harvested with minimum loss, AGRO-PRESS News Agency was told by Aleksandr Vasyutin, deputy chief of the farming department at the Russian Agriculture Ministry.

Commenting on the president's decision, he said it would be advisable to spend part of these funds to subsidise farm produce.

According to his calculations, one tonne of grain must cost 10,000 roubles today if grain production is to be profitable (the price committee proposes setting the price at 8,000 roubles). Farmers have difficulty buying expensive means of production at such a cost. Therefore, the specialist said, certain subsidies from the state are needed. Otherwise, the price of the end product (bread and all products using grain) can sky-rocket.

"We do not have concrete information from the Finance Ministry and the Ministry of the Economy on the one-billion-dollar credit," Vasyutin told AGRO-PRESS. "However, one can assume that these funds should be also used to buy abroad equipment, machinery and resources for grain production and other branches."

'Grounds for Alarm' on Crop Harvest Enumerated

PM1407132992 Moscow KOMSOMOLSKAYA PRAVDA in Russian 14 Jul 92 p 1

[Report by Ye. Arakelyan under the "Harvest-92" rubric: "General Rutskoy Sets Up Task Force"]

[Text] We are again destined to experience hunger. True, there were such forecasts last year too. But we got through the winter and the spring, and the oft-predicted famine in the cities fortunately failed to arrive. Will we avoid it this year too?

There are, after all, some grounds for optimism. Agriculture, albeit in crisis, has still not collapsed altogether. Rural workers are, albeit threatening to strike, at least still supplying the cities at prices on which they make a loss. They have managed to sow the crop—despite all the problems, pretty successfully: The sown areas have not diminished and have even increased for certain crops.

The grounds for alarm are much greater. The harvest forecasts are becoming increasingly modest as the fall approaches. While initially the grain harvest was expected to be above average, it is now anticipated that 94-98 million tonnes will be harvested. This is more than last year, but below the average annual gross yields. Agrarian specialists have been forced by the weather to adjust their expectations substantially. Admittedly, it has always been customary to blame all our failures in agriculture on the weather; however, this year it really has dealt out some surprises. The drought in Kaliningrad Oblast, for example, where they have had problems in the past, but lack of rain has not been one of them. In the Kuban, on the other hand, everything has been flooded and, what is more, smashed by hail—70 percent of the area under crops has suffered. While in Buryatia the temperature plunged from plus 25 to minus 13 degrees in a single week. The crops were, understandably, killed by the frost.

But what has not been smashed, killed off by frost, or scorched still has to be harvested. It is not difficult to guess that, as always, the countryside is not ready for the harvest. Only 85 percent of the required grain combines, 70 percent of the silage harvesters, and 64 percent of haymaking machines are available. And not all of them have been overhauled—there are no spare parts. According to Ministry of Agriculture figures, the level of provision of equipment for harvesting is expected to be 3 percent down on last year, which in absolute terms is very striking.

There are also problems with transport: Whereas last year 60,000 vehicles were allocated by the Army, this year it can provide only 20,000.

There is a shortage of machine operators—roughly 105,000.

True, compared with previous years there have been some changes. Whereas last year there were not enough vehicles because they were in short supply, this year unclaimed combines are standing at Main Administration for the Supply of Agricultural Machinery depots. Despite the warnings that their prices will not only not fall but will most likely even go up, farms are refusing to buy vehicles. For the simple reason that they lack the wherewithal. Virtually all agricultural producers—kolkhozes, sovkhozes, and private private farms alike—have found themselves on the verge of bankruptcy because of the discrepancy between the prices of industrial and agricultural goods, and they can afford no extra outlay even on the eve of the harvest.

This is also understood by the goverment. It has decided to meet some of the financial demands put forward by agrarian specialists in early June—principally settling debts. Quite enough of those have been built up, both inherited debts and their own. Resources have been allocated in order to honor the ill-starred "Harvest-90" checks. Another 58 billion rubles [R] have been allocated to cover the debt incurred for the year before last's grain purchases for hard currency (the farms clearly won't see hard currency, but many of them are pleased to obtain a loan in rubles). It is also intended to pay the countryside R70 billion as compensation for the increase in prices for energy sources.

Other attempts are being made to save the harvest. Vice Premier Rutskoy, who is in charge of agricultural reform, has approached the problem in military fashion and has set up a task force [shtab]. A government resolution on additional measures to back up the harvest has already been prepared. The countryside undoubtedly needs the credits and the material and technical resources for which it provides. But it is doubtful that even one department will supply them: In today's situation no one will be able to "find" anything or "channel" it in accordance with the task force's instructions.

Gaydar Interviewed on Economic Reform, Credit

LD1307195892 Moscow Russian Television Network in Russian 1725 GMT 13 Jul 92

[Interview with acting Russian Prime Minister Yegor Gaydar by Tatyana Khudobina; place and date not given—recorded]

[Text] [Khudobina] Yegor Timurovich, it has always seemed to me that the government headed by you is like a rescue squad which has been called upon to repair a valve aboard a train which is moving toward its own destruction by inertia. The valve has been broken. Everything has been mixed up. We are in a kind of shock. What is next? Will the program of the second stage of the reform appear which says that we are now creating a society in which the balance of economic efficiency and social justice will be observed; at first sight, a rather ideal, utopian idea? Do you really think that we have matured enough now to tackle that global problem? How do you see it from here, from the present crisis?

[Gaydar] On the whole, for us—against the background of that most difficult transformation which we were forced to live through, and which we are living through today—the danger of falling into a vicious circle of instability, of acute social conflicts, of outbursts of populist policy, of dictatorial regimes which establish that stability by bloody means but then only pave the

way for the next outburst of social conflicts, of populism, is, in my view, the most serious.

As experience shows, the market by itself by no means saves one from such a sequence. There are a great many economies that are market economies but are stagnant and extremely ineffective. There is no getting away from it—such as of countries of Latin....[pauses] many countries of Latin America are stereotypes of instability. Therefore, probably the most serious threat which has loomed over our country, over Eastern Europe, is a threat which we should remove and we can remove, in the first instance, if we manage to construct comparatively quickly those essential structures which will make it possible to establish growth and guarantee the economy's development. And that means, in the first place, establishing the economy's ability to accumulate [nakopleniye] because economic growth is, in the first place, investment and investment means society's ability to accumulate—the state, enterprises, and citizens. Well, I think that is the pivot of the medium-term program which we formulated.

Unfortunately, extensive experience and simply economic analysis show that there are no magic and quick solutions. When we were saying that the situation in the consumer market, the attitude of enterprises to money, and the priorities of enterprises could be substantially changed, we were often regarded as Utopians. But now experience has shown that this can be done.

Today, enterprises work in a totally different manner. But unfortunately, it is impossible to reverse long-term economic trends in just over six months. This requires consistent work, and our program is the core. Ensuring a minimum balance, at least, of social interests is a precondition for this work and its efficiency. It is from this precisely that we proceed while planning our own strategy of privatisation; it is for this purpose precisely that we lay stress, primarily, on broad popular privatization, a program for which has already been approved by the Supreme Soviet, and has moved into the phase of practical implementation. It is precisely for this reason that we are working on a long-term program for reforming the system of social support, which we will try to do as much target-specific [adresnaya] as possible.

Of course, there are no miracles. Financial resources are needed in order to ensure social support; there are no other ways. Our financial resources will be extremely limited for a long time yet owing to our economy's low performance. It is for this reason precisely that they should be used in an extremely target-specific fashion.

[Khudobina] Does this mean that you and your government intend to see through to completion what has been planned for the next five years?

[Gaydar] Well, first of all, we believe that we have determined and mapped out the set of tasks the country is actually facing, and which any responsible government of Russia would have to implement anyway.

[Khudobina] What are your thoughts on the Munich summit? The Western credits such as 24 billion and other millions [no monetary units as heard] that are being mentioned from time to time have become a kind of symbol. But sooner or later one loses faith in a symbol unless it starts working for the economy. What is your attitude to those billions? When will they start working for the economy, and eventually, for society and the government, too?

[Gaydar] The program of practical financial assistance for our reform will, in all probability, be launched at the beginning of August, following the final approval and adoption of our agreement with the IMF. It is at this time that we will receive the first package of financial aid. This assistance is supposed to be in stages. It is certainly not....[pauses] After all, it is not a task we have set ourselves—this must be understood—to grab the 24 billion [figure only as heard] right away, especially as it is by way of credits, and to hope that we will thus resolve our own problems.

In one form or another and in various areas we need this money, to resolve specific tasks of one kind or another. Let us say we need 6 billion to stabilize the ruble. We think that we will be able to put this money to effective use, and it is just as well that preconditions will be created for a genuine stabilization of the ruble. In all probability, this will take place some time toward the end of the year if we are relatively successful—December or January. It is precisely at that time that we plan—and this is reflected in our joint action program—to obtain 6 billion in credits for the stabilization fund. If I would have been offered that today, I would not take it, because today it would be adventurous and irresponsible to try to ensure a fixed dollar-ruble rate in the situation that has developed. Other macroeconomic prerequisites are needed for this, and we hope to have them by the autumn.

What is currently of great importance for us is to have our balance of payments underpinned by credits. After all, in practical terms we have spent these past six months in the maximum risk, the hardest conditions, because in November last year, when the Russian authorities actually became autonomous in their actions, the country was absolutely bereft of hard currency resources. What does it mean in practice? It means that insulin is needed. At present it is not possible to resolve this problem quickly because we do not have a single kopeck, a single cent in the country's hard currency account. We urgently need demulsifiers so that oil extraction does not grind to a halt. We do not have the money to resolve this problem without delay, today. Well, the country, especially a large one, cannot live or work normally in such situations. So, a very risky situation emerges.

There emerges an endless dependence on short-term credits—to catch a little of something somewhere and to plug these holes. This was the result of a deep crisis of payment of the Soviet Union, when there was almost a

complete absence of credit hard currency resources. Little by little we managed somehow to live through these six months and to stabilize the situation somewhat. But now the problem of replenishing hard currency resources is the problem of the stability of our economy. This is what we want first from the IMF credits, and this will start to work in August.

Investment and trade credits—one should also be extremely careful here. This does not mean that we must immediately grab any projects and any credits which we are offered. A very careful and thorough study of the projects which are under way now, and which we will develop in future, is required. Only on this basis can one hope that financial support by the West will serve the real revival of the growth of the economy and not simply the growth of the debt.

[Khudobina] Yegor Timurovich, you, as a person who gives promises rather carefully, nevertheless have promised that in 1992-93 our market will be saturated with consumer goods. How and at what expense, and what is the composition of this market?

[Gaydar] If you follow the dynamics of the situation in the consumer market over the last nine months, since November last year, the mechanism of saturating the market is quite clear. When in December we were saying that there would be goods and that there would even be a problem with their sale, many of our opponents laughed and said that there would be no goods at any price. There is no such price when, let us say, refrigerators or television sets, etc., will appear in the shop.

But now one can already see that there are such prices, and the regulating process has begun. And now the rise of prices on nonfoodstuffs has slowed down a little. Judging by June, they are going up very slowly at present. Gradually, difficulties with their sale increase. On a larger group of products manufacturers encounter problems which are most characteristic problems that enterprises throughout the world encounter. The problem of how to sell, where to find a buyer, how to advertise the product and how to provide an acceptable price. So, this is the main mechanism of saturating the market.

Of course, everything goes with difficulty since trade is not privatized. Of course, state trade reacts, it always tries to reproduce the deficit. And it is absolutely immobile. And it tries to preserve standard norms of distribution through underhand distribution methods and trading through the back door, etc. And still it is impossible to fight against the logic of economy. Still the saturation of the consumer market is under way, and it will continue if there is no sudden change in the financial and pricing policies.

[Khudobina] Can you please throw light upon the quarrel between the government and parliament over the lowering of taxes? What is your understanding, your perception of the position of your opponents, and why do you insist rigidly upon the need to preserve the taxes which exist?

[Gaydar] Now, a sharp reduction in the level of taxes could become a trigger for starting up a mechanism of hyperinflation which would pull down monetary circulation, and the whole system of commodity flows would break down immediately after it because there would no longer be any command. The whole economy will come to a halt if labor stops working.

Lowering taxes today is a splendid idea, and in our program we propose consistent steps creating the prerequisites for the gradual relaxation of the tax burden. Well, as for life today, the state pays for a set of most important programs through today's taxes—not tomorrow's but today's—those for July are better. If we lower, let us say, your taxes today that would mean, practically, that we would have to immediately stop the payment of wages to state officials, medical workers, doctors, teachers, workers in culture, and officers; stop subsidies on foodstuffs; and stop all forms of support for investment. Yet, nonetheless, we would not manage to make ends meet. That is the tough logic of life.

If you want to create the prerequisites for lowering taxes, first of all you have to cut back considerably what the state gives out. Otherwise you will give that back to taxes, but in the form of inflationary taxes which will devalue immediately the money in your economy. There is not any other way.

[Khudobina] What about these uncollected thousands of millions which parliament discovered?

[Gaydar] One must have a clear notion of what these thousands of millions are. Everybody knows perfectly well that enterprises raised prices sharply in the first six months of the year. The bulk of products which were delivered had not been paid for. Products which had not been paid for appeared in statistics formally as: Sold. But when money guarantees present flows—well, that did not happen—there was not so much money in the national economy. Hence the problem of nonpayments. Well, a very large part of tax dues sank into these nonpayments—nonpayments worth 2 trillion. [figure as heard] Well, formally, it is a problem which could have been resolved very simply. Just print 2 trillions' worth of money, obtain 300 billion of income for the budget, and to all appearances everything will be all right. But that is a means of simply allowing the monetary system to be finished off.

It must consequently be understood that a large proportion of budget revenue which ought to have materialized if you go by the figures, as it were, represents the formal revenue. It does not exist in real life, nor will it ever materialize on that scale. It cannot materialize for at least the next few months.

[Khudobina] If we hike our prices 10-fold, we must correspondingly increase the amount of money in circulation. Do you regard the cash crisis as a miscalculation on the government's part?

[Gaydar] In the first place, let us agree that the sphere of money in circulation, especially where cash is concerned, falls fairly and squarely within the remit of the Central Bank. It is the Central Bank that decides when higher denomination banknotes should be introduced, and here it asks the parliament for its assent. From the very beginning, as soon as we arrived in the government, as a foremost issue we raised the question of the strengthening of the material and technical basis of the State Mint and of an accelerated introduction of higher denomination banknotes. This was our advice to the Central Bank. Unfortunately, as I have already had the occasion to note, the Central Bank and the Supreme Soviet seriously dragged their feet as far as this issue is concerned. There was this illusion that it was possible to combat inflation by such primitive means as refraining from introducing higher denomination banknotes. As a result, this natural measure to change the structure of banknotes was at least six months late in coming.

The government's predicament is this: At present, the government is merely one of the sources of power. It is a Russian tradition to perceive the government as a body which controls everything, which adopts all the decisions and which is responsible for everything. In a sense, it is indeed responsible for everything. It is merely one of the institutions of power. There is a whole range—a system of separation of powers and there is a Procuracy which is independent of the government; there is the Central Bank, which is independent of the government, there is the Supreme Soviet, which is independent of the government. That is why the government is indeed constantly coming up against the people regarding us—and they are right to, we must not deny the people this right—as responsible for those areas of activities which, strictly in accordance with the law, are not within our remit.

[Khudobina] Yegor Timurovich, experts note a weakening of the government's antimonopoly policies. Is it really a kind of concession to the managers and the military-industrial complex? Can easier conditions for the extension of Western credits be mentioned in this context? Does this mean that the West and our government are coming to the realization that the standard Western economic prescriptions will not work in our system if they are left in a form in which they would work in the West—and that they must be amended somewhat?

[Gaydar] Well, first, as regards antimonopoly policy, it should be implemented by soberly analyzing the specifics of various sectors of our economy. We are now concentrating on the process of opening up the economy. We would like it to become integrated into the world economy more rapidly. There are such spheres and industries where our enterprises are to withstand most tough competition from imported goods, foreign partners and rivals in competition. And there, where foreign economic competition is a reality, we should not destroy our own sensible, strong, and vertically integrated structures in blindly following antimonopoly dogma simply in order to make the economy entirely even; far from it. It is another matter that we will have, on the contrary, to strengthen the antimonopoly thrust of our policy in those spheres where internal competition is vitally needed, but where external competition will not exist for a long time, say, the organization of trade or the demonopolization of the existing structures here. Special regulation of naturally developed monopolies will be needed. In a word, I would not say that it is a question of softening antimonopoly policy. It is a question of an antimonopoly policy which takes into account the very diversified structure of our economy and its very complex nature.

Now as regards the West, the easing of conditions, and standard recipes, no sensible person has ever had the illusion that our economy has the same structure as, say, a typical market economy. We have a very particular past which affects everything we are doing. Of course, there are standard methods which are effective in any economy, this way or another, including ours. And if you really want to halt inflation, this set of standard measures should be used, too, which will yield results. But of course no textbook exists which one could look into and find standard recipes for market reform in Russia. This would be a striking delusion. It is a most complex process of search by trial and error which involves analyzing the problems which we face and new ways to solve them. I think that neither the government nor our foreign partners have ever had illusions on this account, in most cases. Therefore, I think that it is not a question of some sort of diktat, except for the conditions of diktat. I am deeply convinced that, generally speaking, today's world is very seriously interested in Russian reforms being stable and successful. The world's security is at stake.

We are not saying that today someone is trying to impose on us the schemes which are doomed to fail or which are not in our interests. Of course, there is everything here: There are interests of other countries, and we should take them into consideration; there are short-term interests, there are things on which we cannot agree. But on the whole, in general, the world today is interested in the success of our reforms. And together we are looking for ways toward this success. I think that only such a tone of our relations with the world would be acceptable and sensible today.

[Khudobina] Yegor Timurovich, judging from various pronouncements within the government there is a point of view today that the passions at the meetings are being inspired by the mass media. But have you noticed that among the participants in the rallies the faces of old people appear more frequently? These are the people, the layer of our society who through the reform were deprived of all their savings. They do not have a chance to have any savings again. Whereas before the pensioner who had 25,000 on his retirement could buy a car for these savings at an old age, now he will hardly be able to buy a spare part, as I understand it. All of them have now lost their savings. Can you say if there is a possibility for these people of returning to the clan of believers in the reform, so to speak, and does the government think of ways of winning back their support?

[Gaydar] Of course, we cannot just make a simple decision to put a 10-fold indexation on savings, because this will immediately spur the inflation to the same 10-fold level. We will simply be arriving at the same situation but with the prices 10 times higher than the present ones. What has happened to the savings unfortunately reflects the general economic realities and the absence of real links in this economy. Nevertheless, something could be and should be done about this, and we will do it.

[Gaydar] First, one must not indeed try to build [word indistinct]. You cannot use some artificial judicial or economic procedures to make a poor society rich. If we have an inefficient economy and low living standards, there is no way we can create a sharp rise in people's standard of living or prosperity, etc, unless there is a serious growth in production. That is how things are. Second, of course, it is not part of our plans to make everyone private owners in the long term. It is no doubt inevitable there will be a process of social differentiation in this country. Property will be concentrated in the hands of a certain group of people, who have actual entrepreneurial skills and who are fortunate enough. But this must be a process which is justly organized and justly run. Yes, I am absolutely convinced that neither you nor I, when we receive our privatisation voucher, are likely to take part in the management of any enterprise, taking into account the fact that our professional and personal interests do not lie in that field. But we will have an opportunity to sell it to someone who will be able to pay for it, that is, to a person who will know where it can be effectively invested. Thus, this is not a process which will make 150 million Russian citizens property owners for a long time, but a process which will give every person the opportunity to choose whether he wants to own property or whether he wants to convert the voucher back into money, and generally everyone will be able to choose the type of property he would like to own.

This will not be an automatic process of the nationwide property, in the creation of which all of us have taken part, passing into the hands of a certain circle of people who by way of providence have now found themselves very close to the management of this property.

[Khudobina] How can work incentives now be changed, as an enormous number of miners and metallurgists, for instance, can see how a small group of the population are becoming rich right before their eyes?

[Gaydar] First, the overwhelming majority of miners and metallurgists in the world, as you have pointed out quite rightly, are paid wages. Their wages and their desire to keep a job are their work incentives. High wages and a saturated consumer market mean that when you have earned enough you do not have to join a line for goods, or run around thinking who you should bribe to be able to obtain goods in return for your money. So, wages and a saturated consumer market work as incentives in a natural and automatic way. This is why we need above all a stable ruble and consumer market. Without these the wage system—and that is the main incentive in society, which will affect the overwhelming majority of our population—will not work. After all, not all of us will become private owners.

[Khudobina] The military and industrial complex is in some measure opposed to the government, because it will have to destroy the whole system under which it had previously existed. It is understandable that the impoverished part of the population is in some measure opposed, but, you know, what is incomprehensible is the position of the people who have already begun to work in business, got down to business, the small and medium businessmen and individual millionaires who are beginning to appear already—why is it that they also are in opposition to the government?

[Gaydar] I would not talk of a general opposition on the part of the military and industrial complex to what we are doing because this complex is very divided in Russia. It is divided into enterprises which are capable of carrying out an effective conversion. They are capable; they have managerial cadres capable of integrating themselves within the structures of the world market and of finding their niche there and starting to earn hard currency, not just through the sales of arms alone, of course, and which are already becoming involved in this process and are looking for these ways out. It is precisely because of that—people who are busy doing business do not, as a rule, shout their heads off.

It is divided also into those who, in view of objective and subjective reasons alike, are unable to adapt themselves. They wait, as in the old days, for the state to come and buy all the arms that were produced earlier. So, the military and industrial complex is undoubtedly divided. As for the entrepreneurs—well, I think that objectively, of course, our home businessmen are our social allies; that they are interested in the reforms. However, the predicament is this—that the stabilization policy we have been forced to pursue in the course of the past six months, in order to create the preconditions for the development of market relations, is, somewhat haphazardly, a policy of social conflict with regard to practically all groups.

In this respect, the world experience is abundant enough, also as regards our own businessmen. I think that opportunities are currently emerging in our country for a gradual social and political turnaround in the direction of supporting home business. The country's prospects indeed depend now upon their activeness, their capability, their interest in investments, and their readiness to invest in business and in effective projects.

[Khudobina] I would like to put a question to you pertaining not to the economy, but to your relations with the mass media. This is all the more so, because a manuscript has now been discovered within the bowels of the parliament building, a manuscript which encroaches on the freedom of speech in our country. You

are surely aware of this project. Tell me, do you want to build relations with the press?

[Gaydar] You know, I would like to build respectful, proper, and honest relations with the press.

As far as trembling before the bearers of power in the old system is concerned, well, I don't think that this is something to be imitated. In a civilized world, on the whole, it is not done. I think that we will all leave together with respect; with respect for representatives of power, as for any person, in my view, and naturally for anyone who has the professional qualities worthy of a journalist.

[Khudobina] I thank you for our conversation. Thank you.

[Gaydar] Thank you.

Circulation of 5,000 Ruble Note Begins

LD1307145692 Moscow ITAR-TASS in English 1200 GMT 13 Jul 92

[Text] Moscow July 13 TASS—The Central Bank of Russia officially announced that 5,000-rouble banknotes will come into circulation on July 14.

Bank officials had earlier said it would be the first Russian banknote to have no portrait of Vladimir Lenin. All other banknotes, beginning from ten-rouble ones, still carry the portrait of the founder of the Soviet Union.

5,000-rouble banknotes are intended to ease the cash deficit which has hit the whole of Russia.

Rapid Clearing of Wage Payments 'Impossible'

OW1307234392 Moscow INTERFAX in English 1822 GMT 13 Jul 92

[From the "INTERFAX Business Report"; transmitted via KYODO]

[Text] Mr Vladimir Shumeyko, First Deputy Premier of the Russian government, said on Monday [13 July] in Moscow that it was practically impossible to clear payments owed in wages, student grants and pensions in the near future. This statement came in answer to an appeal from the Russian Federation of Independent Trade Unions for an urgent solution to the problem of debts owed to the population and for the publishing of a programme of social measures in connection with the rising prices of energy resources.

It seems likely from Mr Shumeyko's words that the government will try to solve the acute cash shortage by using money held in accounts, by paying wages more frequently, and by increasing currency emissions to an average of twice what they were in the preceding quarter. The government intends to solve the numerous problems occasioned by the insolvency of enterprises by giving the debtor enterprises the opportunity to sell their hard currency assets to pay off the suppliers.

Government experts calculate, Mr Shumeyko said, that earnings by the end of the year would be more than twice the level of the previous quarter and, on the whole, compensate for the price rises due to the increasing cost of energy resources.

ITAR-TASS Director Comments on Draft Law

LD1307210492 Moscow ITAR-TASS in English 2047 GMT 13 Jul 92

[Text] Moscow July 14 TASS—ITAR-TASS General Director Vitaliy Ignatenko expressed concern about statements concerning a draft law on the mass media in Russia.

In an interview with St. Petersburg television on Monday [13 July], Ignatenko said that "it is very disturbing if the draft law focuses on the old problem how to tighten the grip on our newspapers, magazines, television and TASS and make them voiceless. It would be a step back."

Ignatenko is attending a conference of ITAR-TASS correspondents from north-western and central Russia and the Baltic states, which is being in St. Petersburg. [sentence as received]

Often media reports are misinforming, which angers people, Ignatenko said. "There are 483 journalists in TASS who can air their stories without control from above. If the draft law tightens control, we will lose this democratic achievement. We will also lose many original journalists who have their own point of view," Ignatenko said.

Columnist Downplays Coup Rumors, Warnings

PM1307093992 Moscow ROSSIYSKAYA GAZETA in Russian 11 Jul 92 First Edition p 5

[Vladimir Kuznechevskiy "Commentary" under the "Russia and the World" rubric: "Coup d'Etat Not Expected"]

[Text] A multitude of rumors are circulating in Moscow and warnings can be heard that a fresh coup d'etat is being prepared in Russia. The most diverse people play the part of prophets. The most diverse arguments are being adduced to support this conclusion.

Sergey Shakhray believes that fascist style national-patriotic organizations, taking advantage of the process of the population's impoverishment, will attempt to overthrow President Yeltsin already this fall. Former Politburo Member Aleksandr Yakovlev has warned that the vacuum of power emerging in the country is creating conditions whereby authoritarian regimes almost inevitably come to power. The Constitutional Court's chairman has added his voice to the warnings of dangers threatening the constitutional system. But the loudest statement in this regard was the one made to IZVESTIYA by Foreign Minister Andrey Kozyrev who warned of the existence of a "war party" in Russia, which supposedly could undertake an attempted military

(or so it can be assumed) coup. Mindful of a similar statement by his predecessor Eduard Shevardnadze 18 months ago, the Russian and international public has given sufficiently serious attention to this statement and has analyzed the weight of the arguments supporting it.

This problem is being especially actively discussed by the Western mass media.

It must be said that the West as a whole was highly skeptical in its reception of this statement. THE WASHINGTON POST, for example, having analyzed the situation in Russia in the greatest of detail, arrives at the conclusion that hardly anyone today considers that a fresh attempt at such a coup is possible. The country which existed at that time no longer exists. The military are evidently prepared to support President Yeltsin and are busy tackling their own problems in the republics which are now independent; the KGB has been reorganized and the veil of secrecy concealing it has been somewhat lifted; there is no obvious leader of the opposition who could effect such an attempt, while Yeltsin remains at least relatively popular and retains strong positions; nowadays the number of people, including former communists, who have invested a lot in the emerging capitalist system is far greater than anyone could have imagined a year ago.

In the prevailing circumstances—when everything appears uncertain, when all political taboos have vanished, when the deluge of information is flooding from all directions after decades of silence—many Russians are saying that they yearn for the certainty and stability of the past. But few of them strive for the return of communism and most Russians say that they perceive no alternative to the chosen path and the present government. And the most important point is that many Russians are saying that they are fed up with politics and politicians and want to get down to organizing their own lives.

Although the recent demonstrations outside Moscow's television tower by ultranationalists and anti-Semites, who accused Yeltsin of ruining the country, gave rise to alarm about a possible coup attempt, they attracted relatively few supporters, the newspaper concludes.

It seems that, in this case, Western analysts are better at assessing the situation in Russia than our own politicians, whose statements pursue rather different goals than warning society of an impending danger. Especially since not a single one of them offers any prescription for avoiding this alleged danger. The reason why is clear: Since there is no danger, there are no prescriptions for avoiding it.

Regional Affairs

Moscow Militia Chief Defends Actions

PM1307095392 Moscow KOMSOMOLSKAYA PRAVDA in Russian 10 Jul 92 pp 1, 2

[Interview with Arkadiy Murashev, chief of Moscow Internal Affairs Main Administration, by O. Pshenichnyy: "I See a Difference Between Politics and Hooliganism. Arkadiy Murashev, Chief of Moscow Internal Affairs Main Administration, Does Not Intend To Retire Yet"—place and date not given]

[Excerpts] [passage omitted] [Pshenichnyy] The mass opposition rallies have been one of your main concerns for nine months. Your position was often at variance not just with that of the government, but also with that of your immediate subordinates. You have now had to send two of your deputies away on leave. Meanwhile, on both 23 February and 22 June blood was again shed in the capital, albeit not in significant quantities. What principles can justify this? What are your personal politics with regard to the opposition?

[Murashev] The events of 23 February were a political scandal that had both a positive and a negative side. I favored allowing everything to go ahead, I did not want any cordons or barriers. I wanted to give the opposition the chance to execute all its plans. At the time, unfortunately, I was the only person to advocate this viewpoint. The Moscow Government unanimously decided to relocate the rally venue, and the duty of implementing the decision was imposed on us. Events subsequently unfolded automatically, and it was clear where things were leading. Everybody realized this—the rally organizers, the government, and myself.

But it was my viewpoint that carried the day on 18 March. The initial opinion was also to impose a ban, but this time I was supported by one-third of the government. But a decision was made to ban it, and then very considerable efforts were needed to involve the highest echelons of power. I spoke to the Supreme Soviet Presidium, tried to persuade government ministers, public opinion was prepared, and as a result the mayor changed the government's decision.

Just before the next meeting this viewpoint conclusively prevailed. It became clear to everyone that the more conflicts arise in such situations, the more points are scored by the opposition. This does not apply to the events at Ostankino, because in this case the limit where citizens' law-abiding behavior stops was simply exceeded. I make a distinction between politics and actions described in the criminal code as malicious hooliganism.

[Pshenichnyy] But people have been hospitalized as a result of the militia's actions... Whether they be communists or anti-semites...

[Murashev] There was no political subtext, criminal elements were at work here. An official submission about the illegal goings-on in the encampment was submitted by the prosecutor. The militiamen and colonels went there to state this officially. They took a film crew with them for documentary purposes. And what did these guys do: They simply set about the militia! They smashed the imported video cameras and drove the colonels away. The same thing happened to television workers. I spoke with people who had simply been terrorized...

[Pshenichnyy] Would it not be more advisable to punish the actual hooligans rather than everyone who turned up at the picket?

[Murashev] It was mainly the real hooligans who got the punishment you are talking about. Just the ones who put up fierce resistance. But Nikitin is a man who sympathizes with all these people at the rally, and who kept on pursuing the line that the militia should not interfere. This was sabotage of the city authorities' decisions. I knew that Nikitin does not share my convictions. But it seemed to me that his professionalism reached higher than this. But this was not the case: He is unfit to carry out orders because he has convictions of some sort. We had to get rid of him...

[Pshenichnyy] Meanwhile some journalists are saying that, according to rumor, Leonid Nikitin may, on the contrary, replace you in your job.

[Murashev] There are perfectly good grounds for believing these rumors. This has to do with my disagreements with the government. Luzhkov thought that the militia's hesitation was a result of my policy. This was not in fact the case: I simply drew a clear distinction between politics and lawbreaking. [passage omitted]

[Pshenichnyy] How much weaker are Moscow's forces of law and order than the criminal groups that exist here?

[Murashev] They are not weaker.

The reason for the prevailing situation is in many respects different. What are usually described as "bloody shakedowns" turn out, upon review, to be weakness on the part of the judiciary. Paradoxical as it may seem, these armed conflicts betray people's desire for order. You are engaging in economic activity, risking all your resources, and suddenly a natural conflict situation arises. You go to arbitration, you are asked to wait nine months, but you cannot. What reasonable man in the present situation can wait nine months? This prompts the economic individual to go on the warpath. It becomes necessary to hire guys who tote guns in an attempt to enforce contracts. The considerable role played by kidnapping and racketeering is specifically linked to this factor—the nonfulfillment of contractual obligations. On the one hand this is good, it reflects people's natural desire for order. But in order to overcome this situation, what we must do is not double the strength of the militia but increase the number of courts. The court should be swift and fair. Strictly speaking, the term "anarchy" can be applied to this country judiciary. [passage omitted]

Moscow Official Says Yeltsin Broke Law

OW0907142692 Moscow INTERFAX in English 1303 GMT 9 Jul 92

[Transmitted via KYODO]

[Text] The deputy-chairman of the Moscow Council Yuriy Sedykh-Bondarenko finds that by accepting the resignation of Gavriil Popov and appointing Yuriy Luzhkov as mayor in his stead President Boris Yeltsin broke the ruling by Russia's Supreme Soviet, the law on regional and local administration, and his own decree "On Appointing Heads of Administrations".

Two weeks earlier the Moscow Council passed a resolution stating that the Moscow city administration was acting contrary to Russia's law. That called forth an official protest by Moscow's Attorney Gennadiy Ponomaryev presented to the Moscow's smaller council (the permanently functioning part of the full Moscow Council—IF [INTERFAX])

In reply to that Yuriy Sedykh-Bondarenko objected that the protest was invalid since the president had a right to appoint Yuriy Luzhkov "only with agreement of the Moscow Council and with regard to the opinion of Russia's deputies from Moscow".

Moscow's Gonchar Holds News Conference

PM0807090192 Moscow ROSSIYSKAYA GAZETA in Russian 2 Jul 92 First Edition p 2

[Report by Andrey Sharapov under "News Conferences" rubric: "If We Were Going in the Wrong Direction, That Is No Reason To Wreck the Vehicle"]

[Text] That is how Moscow City Soviet Chairman Nikolay Gonchar evaluated the idea to dissolve metropolitan prefectures and municipal districts. Following G.Kh. Popov's resignation from the post of Moscow mayor, the fervor of the attack on executive authority among a section of the deputies' corps is evidently not abating. At yesterday's news conference in Moscow City Soviet's White Hall, having stressed that he was expressing his personal opinion as a deputy and citizen, Gonchar advocated a policy of compromises and said that he was against Moscow City Soviet's considering the question of no confidence in Yu.M. Luzhkov. It is both the misfortune and the fault of Moscow City Soviet that its decisions were predestined not to be implemented by executive authority and are therefore inevitably turning into empty rhetoric. Gonchar admitted that this unfavorably distinguishes Moscow's representative authority from Petersburg City Soviet and expressed dissatisfaction with Moscow City Soviet's work and his own work as its chairman.

The main question today is privatization. Everything else is politics verging on political intrigue. But in this question too Moscow, alas, lags behind other Russian cities, specifically Nizhniy Novgorod, where the revenue being received by the city treasury from the privatization of trade areas is several times higher. And as regards the privatization of industrial enterprises, the opinion has

been voiced that the cash shortage has been caused by certain structures "holding back" their finances in anticipation of privatization, while the issue of privatization accounts to the population is being deliberately frustrated.

The attempt to make an enemy of democracy out of Moscow City Soviet was called a relapse into Bolshevik mentality. The situation in Moscow will ultimately be determined not by political squabbling but by the result of agricultural work and food prices.

Answering ROSSIYSKAYA GAZETA correspondent's question about Moscow City Soviet's establishment and budget, which are being presented in different ways by different publications, Aleksandr Plokhin, chairman of the Moscow City Soviet Budget and Finance Policy Commission, gave the following figures: 130 staff and 270 deputies work in the Moscow City Soviet apparatus; expenditure on maintaining Moscow City Soviet totaled 14 million rubles [R] in the first quarter of this year and R60 million in the second, taking account of price and wage increases. Whether this is a lot or a little is for the reader to judge.

Rain Adds to Rostov Grain Farmers' Woes

PM1007154792 Moscow Russian Television Network in Russian 1600 GMT 8 Jul 92

[Video report by unidentified reporter; from the "Vesti" newscast]

[Text] [Reporter] So far, the farmers of Rostov Oblast have been unable to get on with the grain harvest in earnest. They are hindered by the rain. Unless the situation improves in the very near future, specialists believe that it will be even more difficult to harvest the grain without major losses. Especially when you consider that this year's supplies of equipment, spare parts, fuel, and lubricants to farms have not been up to scratch. Not to mention the fact that to this day peasants still do not know what price they will get from the state for their grain. By preliminary estimates, at best the purchase price of grain will be increased by a factor of between 10 and 12 by comparison with that of today. But if the peasants find themselves in unfavorable conditions, they could opt to halt state deliveries altogether and manage grain stocks independently.

International Affairs

Fleet Talks on Accord Implementation Proposed

LD1307192792 Moscow ITAR-TASS World Service in Russian 1810 GMT 13 Jul 92

[Text] Kiev, 13 Jul (UKRINFORM TASS)—At today's talks on the Black Sea Fleet, the Ukrainian state delegation proposed to its Russian counterparts that they should discuss ways for the implementation of the accords reached by the leaders of the Russian Federation and Ukraine in Dagomys, the progress of fulfillment of the instructions issued, and a range of specific questions regarding preparations for the next round of talks.

With this aim in mind, the Ukrainian delegation deems it necessary to hold on Ukrainian territory in the very near future a working meeting between the heads and experts of the state delegations, with the participation of the Ukrainian and Russian defense ministers. At the same time, the Ukrainian delegation stressed that it is impermissible for either side to take unilateral actions which might complicate the settlement of this question at interstate talks.

Fleet Crew Upset Over Command Discrimination

LD1407013692 Kiev UKRINFORM in Ukrainian 1438 GMT 13 Jul 92

[By UKRINFORM correspondent Mikhail Stetsyuk]

[Text] Sevastopol, 13 Jul—The personnel of the base trawler BT-126 sent an address to the commander of the Naval Forces of Ukraine, the commander of the Black Sea Fleet, and to all the sailors of the Fleet. The crew, which swore allegiance to the people of Ukraine back in January, stresses in its statement that despite the agreements between Ukraine and Russia, adopted in Dagomys, the command of the Crimean naval base continues to aggravate the situation. As a result of the ungrounded accusations of lowering combat readiness, Oleg Grybenyuk, officer and ship commander, has been removed from his post despite the fact that the crew placed first according to the results of the winter period training and was awarded a challenge cup. In connection with creating an unbearable atmosphere and humiliating human dignity on the part of the base command, 15 crew members arrived on 12 July at the disposal of the organizational group of the Naval Forces of Ukraine and asked for protection against unlawful actions of Captain First Rank Yevgeniy Orlov, head of the staff of the Crimean naval base, reports the press service of the Naval Forces of Ukraine.

Rukh Movement Leader Comments on Moldova Visit

OW1307141992 Moscow INTERFAX in English 1317 GMT 13 Jul 92

[Transmitted via KYODO]

[Text] The co-chairman of the Ukrainian movement "Rukh" has completed his official visit to Moldova. During the two days of staying there Chornovil went to the Dniester conflict zone, met with the refugees from the left and right banks of the Dniester river, had conversations with the Moldovan parliamentarians.

Speaking over the national TV, Vyacheslav Chornovil sharply criticized the statement of the Ukrainian President Leonid Kravchuk who proposed to grant independence to Dniester in the composition of Moldova. According to "Rukh" co-chairman, it is necessary to look for another peaceful settlement of this problem which would not violate the territorial integrity of Moldova.

Chornovil reported that the number of refugees from Dniester to Ukraine has exceeded 100 thousand people but not 60 thousand as was mentioned by official sources.

Agreement on Gas Pipeline Signed in Baku

LD1307214492 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1700 GMT 11 Jul 92

[From the "Novosti" newscast]

[Text] An agreement on setting up a gas pipeline between Iran, Ukraine, and Western Europe has been signed in Baku. According to preliminary estimates, the cost of the pipeline will be 12 billion dollars. Iran and Ukraine are to pay almost 3.5 billion dollars each. This has been reported by RIA.

National Affairs

Kravchuk Dismisses Defense Minister From Post

LD1307124992 Moscow POSTFACTUM in English 1148 GMT 13 Jul 92

[Text] On July 11, Ukraine's President Leonid Kravchuk dismissed Vladimir Lanovoyy from his posts as Ukraine's vice-premier and the minister of economy. Also sacked was Ukraine's Minister of Defense Konstantin Morozov. These ministers were sacked because of their July 2 refusal to sign the statement of the republic's Cabinet of Ministers saying that the government would resign if the parliament refused to divide the powers of the Cabinet of Ministers and the Supreme Soviet.

On July 7, after the 5th session of the Ukraine's Supreme Soviet had been closed, Lanovoyy announced his decision to offer his resignation to President Kravchuk. A day before, the Novaya Ukraina (New Ukraine) Movement recommended that Lanovoyy a member of the New Ukraine Movement's presidium, should resign. Somehow, at a press-conference on July 8, Lanovoyy said that he had changed up his mind and was not going to resign. At the press-conference Lanovoyy said: It will be illogical to resign now. I feel my responsibility. To resign now means to engage in intrigues. Besides, it

would mean the defeat. When interviewed by Ukraine's television, President Kravchuk commented on his decree dismissing Lanovoyy from his posts by saying that it would be nonsense if Lanovoyy a member of the New Ukraine Oppositional Movement, continued to hold posts in the government.

How can it be possible if one criticized the government and continued to work in it at the same time? —said Kravchuk. This,—Kravchuk said,—had not allowed Lanovoyy to take a definite stand in the Cabinet of Ministers.

Crimean Republic Movement Criticizes Bahrov

LD0907163392 Kiev Ukrayinske Radio First Program Network in Ukrainian 0500 GMT 8 Jul 92

[Text] An appeal by the Republican Movement of Crimea [RMC] promulgated on 7 July contains a damand to include a vote of no confidence in Mykola Bahrov, chairman of the Supreme Council, in the agenda of the Crimean Supreme Council session, which will continue its work on 9 July. Just recently RMC activists met him with flowers at the airport. Now they accuse the parliamentary speaker of a lack of economic laws, a breakdown in agriculture, a crisis in industry, and with aggravating the sociopolitical situation. The appeal points out Bahrov's incompetence, indecisiveness, and inconsistency. The responsibility for the unpredictable consequences to which the Crimea can be brought by all this rests on the deputies.

In conclusion our correspondent adds that the RMC denies any responsibilty, which is very typical of it.

Crimean Tatars Demand Resignation of Committee

LD1407035292 Kiev UKRINFORM in Ukrainian 1438 GMT 13 Jul 92

[By UKRINFORM correspondent Lev Ryabchikov]

[Text] Simferopol, 13 Jul—Representatives of the Organization of the Crimean Tatar National Movement on 13 July started picketing the Crimean Republican Committee for Issues of Deported People. They demand that all those working for this committee resign. The deadline of the ultimatum is 14 July at noon [0800 GMT]. The picketing is taking place at the decision of the rally of Crimean Tatars which took place last week in Simferopol. Its participants expressed no confidence in Lentun Bezazyev, deputy head of the Council of Ministers of the Republic of Crimea, who is in charge of interethnic relations, and in the Committee for Issues of Deported People, and wished to set up a commission for revising the financial activities of the committee and subordinating it again to the national government. There are only Crimean Tatars among the pickets. No representatives of other deported people—Armenians, Bulgarians, Greeks, and Germans support them yet.

Military Officials Dismissed Due to Corruption

LD1407043492 Kiev Ukrayinske Radio First Program Network in Ukrainian 0500 GMT 10 Jul 92

[Text] Ukrainian Defense Minister Konstantin Morozov issued an order on abuse by officials and on punishment for the guilty. Major General Yakunov, commander of a division of an aviation group of the long range aviation of the Armed Forces of Ukraine, Colonel Pacher, chief of staff and deputy commander of a division, as well as Lieutenant Colonels Shkyrya and Kustenkov, and Major Lubchenko, by order of the defense minister have been dismissed from their posts. Documents on them have been submitted for transfer and materials have been passed to the general procuracy of Ukraine. For a long time, the abovementioned officers abused their official positions by grossly violating current legislation and orders from the defense minister. They repeatedly organized and used military air transport to send sugar, building materials, and other goods that are banned for export outside of Ukraine. The military procuracy has instituted proceedings on the basis of facts of abuse and a preliminary investigation is being conducted.

Sevastopol Commandant Declares Hunger Strike

LD1407043992 Kiev UKRINFORM in Russian 1237 GMT 13 Jul 92

[By UKRINFORM correspondent Nikolay Zayka]

[Text] Kiev, 13 Jul—As was reported by the press service of Ukraine's Ministry of Defense, the premises of the Sevastopol garrison commandant's office, whose personnel took an oath of allegiance to the people of Ukraine, and the commandant's office, were included in the armed forces of the independent state according to the defense minister's decision, has been illegally occupied by a marine infantry platoon. This act was carried out according to the orders by Admiral Igor Kasatonov, commander of the Black Sea Navy. He prohibited food delivery to the commandant's office and the servicemen from performing their duties. In response to these actions Lieutenant Colonel Vladimir Zverev, the commandant of Sevastopol garrison, and Colonel Vladimir Indilo, representative of Ukraine's Navy, have declared a hunger strike.

Fokin Meets Entrepreneurs on Economic Situation

LD1307135892 Kiev UKRINFORM in Ukrainian 1851 GMT 9 Jul 92

[By UKRINFORM correspondent Valentyn Vernodubenko]

[Excerpt] Ukraine Prime Minister V. P. Fokin met leaders of Darnitsa region enterprises, organizations and establishments in Kiev on 9 July. The meeting was held in a relaxed atmosphere, in the form of a dialogue, in the district where V. P. Fokin previously served as a Ukraine people's deputy. The prime minister said the Republic's

economic situation is difficult. The time has come, he said, for politics to give way to the economy, for us to roll up our sleeves and work, restoring broken production links, especially with Russia. We should not reduce to nothing what took decades to build. Ukraine is vitally interested in these links. Today, it does not have enough energy carriers, timber and other raw materials.

Speaking about criticism of the Cabinet of Ministers at the fifth and last session of the Ukraine Supreme Soviet and the demands for its resignation, V. Fokin said the government cannot do that. It would contradict the interests of our young state. Those forces demanding the resignation of the government do not take into account the fact that forming a new cabinet of ministers would take a long time. At this point, the opposition has not formed a shadow cabinet. The government would make a big mistake by resigning. Demands for resignation were made when the prices were raised. But the government in effect adhered to and executed the decisions of the Supreme Soviet.

V. P. Fokin emphasized the tasks which must be resolved as soon as possible in order to begin to emerge from the crisis and to prevent additonal production slumps. The ground must be prepared for the introduction of the national currency, the hryvna, within two months. For that, the possibilities of the coupon must be used fully. Everything must be done to reduce inflationary pressures. A draft law on payment for work should also be prepared in that same period. Interstate decisions on measures to ease the situation for both Ukrainian and Russian enterprises are expected in the near future. [passage omitted]

Union Council Warns 'Last Day' of Government

LD1307104992 Moscow Radio Rossii Network in Russian 0900 GMT 13 Jul 92

[Text] EKSPRESS KHRONIKA reports that Ukraine Prime Minister Vitold Fokin has said that if the Federation of Independent Trade Unions of the republic holds a strike on 20 July, this will be the last day of Ukrainian independence.

For its part, the Council of Independent Trade Unions of Ukraine has issued a warning that 20 July will be the last day of Fokin's government. The federation has not received any documents on the creation of a conciliatory commission previously announced by government representatives. It has appealed to Ukraine President Leonid Kravchuk to discuss the existing problems before 20 July in order to avert the strike and any critical consequences of such an action.

Strike Threat Persists Despite Better Situation

PM1407085992 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1700 GMT 10 Jul 92

[Video report by G. Kondaurov; from the "Novosti" newscast]

[Text] The Donbass mines, recently threatened with bankruptcy, have now significantly improved their financial situation. The government has offset reciprocal debts amounting to many billions [unspecified currency] between Byelarusian and Ukrainian enterprises, while the National Bank has granted credits. It has now become possible to pay people on time and to pay for equipment and materials purchased.

The coal extraction situation is also improving and many years of decline have been arrested. Even so, strike calls have again been heard in some mining collectives, notably the Torez Anthracite Association.

As for the Federation of Independent Trade Unions of Ukraine, which accounts for more than 10 percent of underground work, it has adopted a decision to begin striking at 0800 on 20 July. Several trade union organizations of railroad engineers, civil air crews, and others are prepared to join in.

The cause is dissatisfaction over the sharp rise in prices in July. In the period of price deregulation they have increased tens or even hundreds of times over, while wages have not increased even tenfold.

But if there is dissatisfaction among those considered to be highly paid, what about the workers in education, agriculture, culture and the arts, which are at the bottom of the pay scale?

By no means everybody believes that a strike at this time will help to solve economic problems, but it is perfectly obvious that all the various trade unions are united in their demand that the government strengthen social protection.

Slump in Donetsk Coal Extraction Halted

PM1407090192 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 0500 GMT 10 Jul 92

[Video report by G. Kondratov and Li Din Khvan; from the "Novosti" newscast]

[Text] [Kondratov] The slump in coal extraction in Donetsk Oblast has been halted. Work in the mines is showing remarkable signs of stability. But their financial situation is still very difficult. Outstanding payments for coal deliveries run into many billions of rubles. A situation often arises where mines and associations simply have no money in their accounts. There are often delays in paying out wages. Even the very high price of coal does not cover all the mine costs. And state subsidies to the coal industry have been scrapped. It is the situation in the social sphere which is proving by far the most difficult for the mines and associations—that is, housing construction, and the maintenance of kindergartens, clubs, sporting facilities, guest houses, and vacation centers. All of this requires enormous financial outlay, while giving no returns. To help finance this sphere, the "Donetsk-Ugol" Association has set up a social and

economic development bank—the "Uglekombank." Its founders include mines in the Donbass and Vorkuta as well as other regions. Within a short time it has become one of Ukraine's five largest commercial banks. Today its credit resources total over 2 billion rubles. The miners' bank should attract both national and foreign capital into the Donbass coal industry. Business there is well organized, and important links have already been established with foreign banks. One of "Uglekombank's" main aims is to create new enterprises where miners can go to work in the event of mines' being closed or going bankrupt in market conditions.

Byelarus

Romanian President Iliescu Continues Visit

Signs Cooperation Declaration

AU1207174092 Bucharest ROMPRES in English 1544 GMT 12 Jul 92

[Text] Minsk, ROMPRES 12/7/1992—Romania's President Ion Iliescu, now visiting Minsk, and the president of the Supreme Soviet of the Republic of Byelarus, Stanislav Shushkevich, signed on July 12 a Declaration of Mutual Understanding and Friendly Collaboration between the two countries. The declaration reads that Romania and the Republic of Byelarus abide by the UN Charter purposes and principles, rely on the provisions of the CSCE Final Act, of the Paris Charter for a new Europe and other subsequent CSCE documents. In all their behaviour, Romania and the Republic of Byelarus start from the principle of preeminence of law in international relations. Romania and the Republic of Byelarus confirm the inadmissibility of the use of force and threat of force in international relations and reject any actions directed against territorial integrity and political independence of any state, against the implementation of the peoples' right to master themselves. The two countries are resolved to encourage the development and diversification of the bilateral economic relations relying on the principles of legality, partnership and mutual advantage. Conditions will be provided to favour the development of commercial exchanges, industrial, technological and scientific collaboration, as well as for the achievement of direct connections between enterprises and other economic units.

Romania and the Republic of Byelarus shall develop their collaboration and exchanges in culture, science, education and information.

The two countries, the declaration also reads, are decided to collaborate on an international plane and consult each other on external matters of mutual interest, especially of security and cooperation in Europe. The two presidents decided that the provisions of the present declaration should be developed and included in the Treaty of Friendship and Collaboration Between Romania and the Republic of Byelarus.

Confirms Arms Sales to Moldova

OW1307175192 Moscow INTERFAX in English 1604 GMT 13 Jul 92

[By Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature; transmitted via KYODO]

[Text] Speaking at a press conference in Minsk today, Romanian President Ion Iliescu, who is in Byelarus at the moment on an official visit, qualified the Byelarussian leadership's position on the Dniester conflict as "positive and constructive." Summing up his meetings with parliament chairman Stanislav Shushkevich and Prime Minister Vyacheslav Kebich, Iliescu pointed out that Shushkevich was determined to firmly stick to a policy of non-interference in the internal affairs of other states, including Moldova. Byelarussian troops, Shushkevich said, would never be sent outside the republic. But, according to Iliescu, Shushkevich said he only meant those forces stationed on Byelarussian territory which came under the jurisdiction of the Byelarussian Defense Ministry.

The Romanian President said Shushkevich had made it clear that the problem of control of the forces stationed on Byelarussian territory had still not been sorted out with Russia, so that "many of the units are still effectively Russian." Which meant that Moscow might conceivably transfer some of its troops from Byelarus to the Dniester region.

Iliescu confirmed the information that Romania was supplying weapons, above all artillery and armored vehicles, to Moldova on a commercial basis. "We are not supplying any tanks to Moldova," he said. "Not a single Romanian soldier or officer is taking part in the hostilities in the Dniester region," he stressed.

For a while, he continued, "we had a group of our army officers in Bendery acting as military observers. They were members of a special joint commission" consisting of representatives from Russia, Ukraine, Moldova, and Romania. At the same time, Iliescu claimed he possessed information that the Russian 14th Army was supplying large amounts of weapons to the "Dniester separatists and Russian Cossacks."

Iliescu commended Byelarus's willingness to assist in the settlement of conflicts both within the CIS and outside it. He described Byelarus as a kind of "Switzerland for the former republics of the USSR."

Briefs Newsmen, Ends Visit

LD1307155192 Moscow ITAR-TASS World Service in Russian 1313 GMT 13 Jul 92

[By BELTA correspondent Tatyana Khryapina for TASS]

[Text] Minsk, 13 Jul (ITAR-TASS)—The two-day official visit to Byelarus by Romanian President Ion Iliescu has ended. Speaking at a news conference here today, he hoped the visit would be a starting point in the development of Romanian-Byelarusian relations and multilateral and fruitful cooperation.

Touching on the Dniester conflict, Ion Iliescu stressed that he considered the main condition for the elimination of the conflict was the immediate withdrawal "of the foreign Russian troops" of the 14th Army from the territory of this sovereign state, and he came out in favor of talks being held between Moldova and Russia on the dates and procedures for the withdrawal of these troops

Answering a question about his attitude toward some separatist forces in Romania and Moldova hope for a reunification of these two countries, Ion Iliescu said Romania, as a participant in the Helsinki process and having signed the Paris Charter and the CSCE Final Act, is in favor of the inviolability of state borders and inviolability of territories. "And if the unification of Moldova and Romania does nevertheless take place, then life itself will decide this matter," he stressed.

Ion Iliescu left for Bucharest today.

Prime Minister Discusses Economic Reforms

PM1407101392 Moscow ROSSIYSKAYA GAZETA in Russian 11 Jul 92 First Edition p 5

[Dmitriy Fedorov report under the "First-Hand" rubric: "We Will Not Destroy Our Ties With Russia"]

[Text] JOURNAL DE GENEVE has carried an interview with Byelarussian Prime Minister Vyacheslav Kebich, who is visiting Switzerland. The talk turned to economic reforms in this republic.

We have our own privatization program developed on the experience of virtually all other East European countries, Kebich said. But it is not a question of a forced march. Results should not be expected for seven or eight years.

Byelarus would like to largely avoid the kind of uncontrolled privatization that has occurred in Poland, which, as Polish President Lech Walesa told Kebich, has caused national industrial production to halve. "It is very important to avoid that kind of slump in production and tremendous rise in unemployment," Kebich stressed.

The Poles' mistake was to rely too much on foreign aid, particulary U.S. aid. "We are primarily relying on ourselves. If we are given foreign aid, it will only help speed up the privatization process."

That is why Byelarus has adopted an exceptionally favorable law for foreign investments, exempting them from all taxes for the first two years.

Nevertheless, in order to persuade foreign investors to invest capital in Byelarus, it will be necessary to eliminate the present uncertainty about currency. Does Byelarus intend to keep the ruble or will it introduce its own currency?

If the other republics in the former USSR also decide to break away from Moscow as far as currency is concerned, Byelarus will obviously follow their example, Kebich indicated. "But we will not be the first to destroy the existing system." Especially since we are so closely linked with the other republics that it will take five to 10 years before we can live without one another, the Byelarusian premier stressed.

The slow process of privatization does not, however, mean the retention of planned management of the economy: Every enterprise is independent now. Each is entitled to adopt its own program, choose its own suppliers, and determine its own income.

As for the state's role, it boils down to two tasks: First, place adequate orders to meet the population's demands in grain or sugar production; second, levy income tax.

Credits Exceed 20 Billion Rubles as of 1 Jul

LD1207023292 Moscow Programma Radio Odin Network in Russian 0730 GMT 10 Jul 92

[Text] Byelarus has been obliged to issue vast amounts of credits because of the insolvency of many enterprises. This has been stated by Byelarus Prime Minister Vyacheslav Kebich. He said that as of 1 July the total amount of credits exceeded 20 billion rubles, which is virtually equal to the volume of the annual budget. Kebich noted in particular that he could not allow the republic to repeat the Ukrainian experience and thinks that the ruble zone should continue to exist. He said, however, if we are forced to destroy it, we will have to introduce Byelarus's own full-blooded currency.

Moldova

Reportage on Visit of Russian Vice President

Meets With Snegur in Chisinau

OW1307172292 Moscow INTERFAX in English 1617 GMT 13 Jul 92

[Transmitted via KYODO]

[Text] In Chisinau Monday Moldovan President Mircea Snegur and Russian Vice President Aleksandr Rutskoy met behind closed doors.

The State Secretary of the Dniester Moldovan Republic Valeriy Litskai said that the Russian vice president unexpectedly flew to Chisinau after the Moldovan president blocked an agreement between the armed forces of Russia, Moldova, and the Dniester Republic on the withdrawal of units from the conflict zone. A representative of the Russian Defense Ministry Colonel General Semyenov who was present at the negotiations told the Russian government of the incident; the government then decided to hold a meeting between Rutskoy and Snegur in Chisinau, Litskai said.

Talks Called 'Constructive'

AU1307195692 Bucharest ROMPRES in English 1820 GMT 13 Jul 92

[Text] Bucharest, ROMPRES, 13/7/1992—On orders of Boris Yeltsin, president of the Russian Federation, Vice President Aleksandr Rutskoy and Security Minister Viktor Baranikov arrived in Chisinau on July 13. They had an interview with Mircea Snegur, president of the Republic of Moldova.

During the talk approach was made of issues concerning the peaceful settlement of the conflict in the eastern districts of the Republic of Moldova, reads a communique of the presidency's press department.

Emphasis was placed on the fact that the main target now is the consolidation of the cease-fire agreement and the resumption of the ruined economic relations.

A common point of view was expressed according to which all the litigious aspects are to be settled only by parliamentary means.

The talk had a constructive character.

Flies to Tiraspol

OW1307194692 Moscow INTERFAX in English 1807 GMT 13 Jul 92

[Transmitted via KYODO]

[Text] INTERFAX learned that at a meeting in Chisinau Monday [13 July] Moldovan President Mircea Snegur and Russian Vice President Aleksandr Rutskoy discussed methods of ending the conflicts in eastern Moldova via presidential efforts. The two said that most important now is to strengthen cease-fire agreements and restore economic ties. It was also decided that all disputes should be settled through parliamentary channels.

Reliable sources told INTERFAX that Rutskoy and Security Minister Victor Barannikov, accompanying him on the trip, flew to Tiraspol Monday where they are expected to meet with the government of the left bank region.

Rutskoy flew to Moldova at the direction of the Russian president following a telephone conversation between Yeltsin and Snegur.

Meets Officials, Russian Commander

LD1407103892 Moscow Radio Rossii Network in Russian 0800 GMT 14 Jul 92

[Text] Active consultations were held in Moldova yesterday between a Russian delegation led by Vice President Aleksandr Rutskoy, the leaderships of Moldova and the Dniester region, and the Command of Russia's 14th Army, INTERFAX reports. There have so far been no official reports on the content of the talks. A correspondent of the agency, however, managed to find out that options for a cease-fire in the Dniester region and methods for disengaging the opposing sides were worked on during the meeting that took place.

According to information received by INTERFAX from authoritative sources, the Russian delegation proposed that the so-called Georgian option be used to halt the conflict in the Dniester region. There was a proposal to set up four subunits of peace-making forces from servicemen of Russia, Ukraine, Moldova, and the Dniester region, probably one battalion from each side. These forces would have to disengage the opposing armed formations, insure that they are withdrawn from combat positions, and monitor compliance with the terms of a full cease-fire in the conflict zone. [Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian at 0800 GMT on 14 July in its "Vesti" newscast reports that Igor Smirnov, president of the Dniester Region republic, and Aleksandr Lebed, commander of the 14th Russian Army, took part in these talks.]

Dniester Talks 'Very Difficult'

LD1407104692 Moscow ITAR-TASS English 0902 GMT 14 Jul 92

[By ITAR-TASS correspondent Fedor Angeli]

[Text] Chisinau July 14 TASS—"A conversation that Russian Vice President Aleksandr Rutskoy had with leaders of the Dniester region on Monday evening was prolonged and very difficult", Grigoriy Marakutsa, a leader of the Dniester, told ITAR-TASS by phone.

Marakutsa said: "The situation is developing in such a way that the stand of the official Moldovan authorities is being imposed on the Dniester by Russian leaders. Nobody wishes to talk of a federation, of an autonomy of the Dniester in any form, let alone its independence. Our interlocutors insisted that deputies representating the population of the left bank and Bendery return to parliament. They would only be involved there in fruitless talks on the status of the Dniester. But how can deputies who have already given up their powers return to parliament? There is no way to do so".

Russian Envoy Interviewed on Role in Talks

OW1307130192 Moscow INTERFAX in English 1007 GMT 13 Jul 92

[By diplomatic correspondent I. Porshnev and others from the "Diplomatic Panorama" program; transmitted via KYODO]

[Text] The progress made in Dniester of late has become possible largely thanks to the constructive stand taken by Russia, said Russia's Ambassador to Moldova Vladimir Plechko.

In an interview with DP's [Diplomatic Panorama] correspondent in Chisinau he pointed to the particular importance of contacts between the Russian and Moldovan Presidents held both on bilateral basis and with the participation of the leaders of other states. V. Plechko believes that such contacts are conducive to normalizing the situation in the conflict area.

The diplomat dwelled in detail on the stand taken by Russia's parliament. He believes, he said, that Russian MPs [members of parliament] are also "doing their best to make it possible for peace and accord to descend on both banks of the Dniester".

According to V. Plechko, the agreement on ceasing fire and removing heavy weaponry has shown that the conflict in Dniester is still in a stage when it can be settled by political means. "This opportunity must not be missed", V. Plechko pointed out.

Snegur, Mosanu Receive U.S. Senator Pressler

AU1307193392 Bucharest ROMPRES in English 1530 GMT 13 Jul 92

[Text] Bucharest, ROMPRES, 13/7/1992—On Monday, July 13, the Republic of Moldova's President Mircea Snegur received well-known U.S. Senator Larry Pressler, who is militating for the support of the democratization and transition to the market economy processes in the CIS republics and, generally, in former communist countries. The U.S. senator also had a talk with the speaker of the Republic of Moldova's Parliament, Alexandru Mosanu.

Smirnov Claims Full Sovereignty Not Demanded

LD1407091292 Hamburg DPA in German 0637 GMT 14 Jul 92

[Text] Tiraspol (DPA)—Dniester Republic President Igor Smirnov is not insisting on complete state sovereignty from Moldova. "Even if a federative state were suggested to us, that would be an excellent step," Smirnov said in a DPA interview on Monday evening.

In this way economic relations and relations between the people would be maintained. "In our republic that is an defensive action, in defense of human rights, not a defense of the nation or the state," said Smirnov.

"The main task is to end the conflict and the bloodshed," Smirnov said in the interview. The political status of the region left of the Dniester then could be determined in talks. The heavy Moldovan attack on the town of Bendery, however, has made such talks more difficult. "Following these bloody events, we no longer speak of autonomy, but of the statehood of the Dniester Republic," Smirnov said. When asked about this position, however, the president said that this was "only an alternative." The republic has applied for full membership in the CIS.

Foreign Minister Comments on Dniester Issue

PM0607142692 Paris LE MONDE in French 3 Jul 92 p 3

[Report by Jean-Baptiste Naudet: "Parliament Will Recognize Dniester Region's Right to Self-Determination"]

[Text] Chisinau—While Mr. Yeltsin and Mr. Snegur, the Russian and Moldovan presidents, were due to meet in Moscow on Saturday 4 July to discuss a political solution to the Dniester conflict, Moldovan Foreign Minister Nicolae Tiu told us on Thursday that the Chisinau parliament was going to grant the Dniester region, populated by Russian-speaking separatists, the right to self-determination if Moldova is reunified with neighboring Romania. But Mr. Tiu demanded the prior disarmament of the Russian-speaking forces and the withdrawal of the 14th Russian Army stationed in the Dniester region.

The Moldovan foreign minister does not like this being discussed: He speaks of "this thing" or "the guarantees which you mention." But, while the violent clashes are continuing between Moldovans and Russian-speakers in Bendery and on the Dniester front where tanks are massing—despite a cease-fire "personally" guaranteed by Presidents Snegur and Yeltsin on 25 June—the Moldovan authorities, as Mr. Snegur stated on Tuesday in a moving appeal, are making "colossal efforts to find a compromise solution."

The U.S. charge d'affaires in Chisinau explained that the most favored nation clause has just been granted to the Moldovans "to encourage them in the path of negotiation." Chisinau Foreign Minister Nicolae Tiu accepted on Thursday what his government had never so far been willing to accept. "Parliament," Mr. Tiu assured us, "will adopt a decision on the status (of the Dniester region) with the guarantees which you mention." In other words, the right to self-determination by referendum or by a separate vote count in the Dniester region during a ballot on Moldova's reunification with Romania.

However, Mr. Tiu continued, "this issue"—the right to possible secession by the Dniester region—"must be exercised by referendum once the Russian-speaking paramilitary forces have been disarmed and the 14th Russian Army, the main factor in the aggravation of the conflict," according to Mr. Tiu, "has been repatriated," because "international law does not make provision for a territory having special status as a result of the presence of armed forces," he stressed.

The Dniester region is inhabited by "Moldovans who do not want to leave Moldova and Russians. All have the right to self-determination," the minister stressed. To consult the population east of the Dniester, "the Russian-speaking 'guard' must be disarmed." Today, a referendum is impossible because "they are armed and are shooting: "Vote against us, Romanian, and we will kill you!" the Chisinau foreign minister stressed.

On Thursday, the Moldovan parliament, in the absence of the Russian-speaking Dniester region deputies, had to postpone a discussion of the Dniester region's special status following the talks scheduled in Moscow. By advocating the right to self-determination for the Dniester region, however, Chisinau, deprived of gas and gasoline by a Russian economic blockade, accepts "a reasonable solution" as the basis of discussion with Russia because, as Mr. Snegur said, the internationalization of the conflict involving Russia, Ukraine, and Romania could "have irreparable consequences."

Zhirinovskiy Ally Leads Group to Dniester

OW0807161092 Moscow INTERFAX in English 1316 GMT 8 Jul 92

[Transmitted via KYODO]

[Text] The press service of the liberal-democratic party reported that "a writer Eduard Limonov, a member of the Russian national government formed by Vladimir Zhirinovskiy's party, came to Trans-Dniestria on Tuesday at the head of twenty Russian volunteers".

This detachment consisting of Cossacks and former paratroopers intends "to defend the young republic, to strengthen the fighting spirit of the soldiers, and to collect materials for patriotic press", the press service reported.

Some time ago Limonov emigrated from the Soviet Union and at present he occupies a post of the Director of the All-Russian Bureau of Investigations in the shadow cabinet of Zhirinovskiy. The main purpose of this bureau is the struggle with corruption in the high echelons of power and the control over the law enforcement agencies.

Sangeli Visits Kosnitsa, Meets Commanders

LD1007210892 Moscow ITAR-TASS in English 1635 GMT 10 Jul 92

[Text] Chisinau July 10 TASS—Moldovan Prime Minister Andrey Sangeli visited the village of Kosnitsa on Friday, where the warring sides are being disengaged, and a security zone set up within several days after the bulk of weapons and armoured vehicles engaged in the conflict had been withdrawn.

During the visit, Sangeli met with commanders of Moldovan Army Units to discuss the situation in the region. The military urged the Moldovan leadership to take urgent measures to implement decisions to stop the war and preserve the territorial integrity of Moldova.

Dniester 'Commandant' Confiscates Small Arms

LD1307215392 Moscow Mayak Radio Network in Russian 1000 GMT 11 Jul 92

[Text] The commandant's office of the Dniester republic and the town of Tiraspol has confiscated approximately 400 small-arms weapons from the population in the last few days. (Mikhail Bergman), commandant of the Dniester republic and Tiraspol, stated this to the TIRASPOLSKAYA PRAVDA newspaper. His service was set up 10 days ago at the decree of the president of the Dniester republic. Touching upon the fate of the 14th Army, (Bergman) affirms that if an order to withdraw it from the Dniester region is given, they will be able to take away its banner and its seal at the most. We will not let them do anything else.

Prime Minister Submits Candidates for Cabinet

OW0707123092 Moscow INTERFAX in English 1110 GMT 7 Jul 92

[Transmitted via KYODO]

[Text] The Moldovan Prime Minister Andrey Sangeli has submitted to parliament today the first candidates for his new cabinet.

His deputies are to be Valentin Kunev, a building engineer and director of a design bureau, Bulgarian by nationality; Nikolay Oleynik, an economist, chairman of the Synjerey region's council; Mikhail Koshkodan, former deputy Premier in Valeriu Muravsky's cabinet which resigned last month.

Nominated for the Interior Minister is Constantin Antocha, for the economic reform committee - Sergey Chertanu, Doctor of Economics, for transport minister - the incumbent in that post Valeriy Kozlov, and for the minister of state for the government's office - Georgiy Gussak.

Other nominees will be presented by A. Sangeli after the return of President M. Snegur from Helsinki.

Tuesday afternoon the candidatures will be discussed by the parliamentary parties and standing committees, and at 4 pm they will be voted on by the Supreme Soviet.

Impact of Sangeli as Prime Minister Assessed

PM0807174592 Moscow ROSSIYSKAYA GAZETA in Russian 4 Jul 92 First Edition p 6

[Correspondent Lyudmila Feliksova report: "Moldova: New Premier—New Turn"]

[Text] The legislature of Moldova has accepted the government's resignation and elected a new prime minister. He is A. Sangeli. Introducing him as his preferred candidate for the post, President Snegur said that for him, personally, Sangeli is a compromise figure. The new prime minister is a moderate politician who has never played the national-patriotic card, but who has hanging over him a factor that today is considered a burden—his party past, which, incidentally, he has never publicly disowned.

Furthermore, about a month ago Sangeli was forced, with no explanation, to leave the post of vice premier. He became simply minister of agriculture. Then he resigned again, along with the entire government, and now he has been appointed prime minister.

It is no secret to anyone in parliament that Sangeli is the protege of the largest group of deputies—the agrarian deputies. Moreover, his election constitutes another defeat for the People's Front faction, which voted against his appointment. Earlier, the agrarian deputies adopted a tough line on the People's Front favorite, M. Druk, and forced him to resign, despite strong resistance. Now they have put forward their own candidacy which passed by a

large majority of votes, despite the fact that their candidate Sangeli is criticized for his Communist past.

The new prime minister immediately declared his intention to form a coalition government emphasizing professionalism and knowledge of the job, not political and patriotic qualities. Earlier, this move—the creation of a government of national consensus—as well as the orientation toward Moldova's independence and sovereignty, had helped M. Snegur to become president. Now Moldova has a chance to try to form a government of confidence. In the present situation, this is very important—as an opportunity to move toward a peaceful solution to the Dniester conflict and to stabilize the economy.

The new prime minister stated that the questions of the Dniester region and Gagauzia can be resolved exclusively by peaceful means at the conference table. And if, Sangeli said, the government is given the opportunity to work, and not made into another "whipping boy," then it is possible to find a real solution to the impasse in Moldova. The agrarian deputies' victory could mark a new turn in the republic's policy. In any case, many deputies view it as a turn toward common sense and sober analysis. Meanwhile, parliament has begun discussing the key question—a special legal status for the eastern regions. There are three draft solutions to this problem. True, the discussion itself comes very late in the day. The Bendery tragedy made it highly problematic to hold a discussion at all. Since Bendery, the left bank deputies have not attended parliament, and an appeal to them to return has not yet met with a response. Adopting a document on the status of the Dniester region without their participation means only one thing—that the decisions adopted by the Moldovan parliament will be impossible to fulfill.

Foreign Minister Views Pan-European Security

AU1107194992 Bucharest ROMPRES in English 1631 GMT 11 Jul 92

[Text] Chisinau, ROMPRES, 11/7/1992—The delegation of the Republic of Moldova who attended the CSCE summit in Helsinki held a press conference on July 11, at which the Foreign Minister Nicolae Tiu said his opinions on the conference in the Finnish capital. He underlined that the enlargement of the number of the CSCE states was a proof of the representative character of that forum, within which most complex problems could be solved.

Nicolae Tiu mentioned that Moldova's President Mircea Snegur met in Helsinki the presidents of Bulgaria, Zheliu Zhelev; of Russia, Boris Yeltsin; of Romania, Ion Iliescu, the secretary general of the Council of Europe, Catherine Lalumiere, and UN Undersecretary General V. Petrovskiy, diplomatic contacts were established with Lithuania and Holland. Mr. Tiu appreciated that the results of the forum were useful equally for Moldova, that got the support of most states regarding the defusion through CSCE mechanisms of the conflict in its eastern districts, despite the fact that Russia insisted that these problems should be solved within the Commonwealth of Independent States, and Romania be excluded from this mechanism.

Kazakhstan

Nazarbayev Comments on CSCE Summit Results

OW1307175292 Moscow INTERFAX in English 1604 GMT 13 Jul 92

[From the "Presidential Bulletin" feature by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko; transmitted via KYODO]

[Text] Amid general chaos in what used to be the Soviet Union, internal stability and the Kazakh Government's consistent economic policy are attractive to the West, President Nazarbayev said in Alma Ata on Sunday [12 July] at the end of the CSCE conference in Helsinki. He said the republic's policy opened up broad opportunities for foreign business.

The Kazakh leader spoke of his country's international contacts being expanded describing this as a crucial moment in its history. Nazarbayev told reporters about his talks in Helsinki with President Bush, Chancellor Helmut Kohl, and leaders of France, Greece, Japan and Romania all of whom had given a positive appraisal of his government's approach to resolving the problems of economic reform and ensuring internal peace.

Nazarbayev stressed that by signing the Helsinki agreements on a par with other countries, Kazakstan had asserted itself as a state both sovereign and independent. He said the accords enshrined the inviolability of frontiers and territorial integrity of Euro-Asian states which was of specific importance.

Nazarbayev Decrees Committee of National Security

LD1307132792 Moscow ITAR-TASS World Service in Russian 1310 GMT 13 Jul 92

[By KAZTAG-TASS correspondent]

[Text] Alma-Ata, 13 Jul (ITAR-TASS)—Today Kazakhstan President Nursultan Nazarbayev issued a decree on transforming the Kazakhstan Committee of State Security into the Committee of National Security. Lieutenant General Bulat Bayekenov, who until now has occupied the post of chairman of the republican KGB, has been appointed its chairman.

Kazakhstan, Russia Agreement 'Not Yet Operating'

LD3006165592 Moscow POSTFACTUM in English 1540 GMT 30 Jun 92

[From the "Politics:" section]

[Text] Alma-Ata—According to the administration chief in the city of Leninsk (Kazakhstan), the agreement between the Kazakhstan Republic and the Russian Federation on the way of using the Baykonur spaceship launching site is not yet operating.

As the City Administration Chief Vitaliy Brynkin told PF [POSTFACTUM], a package of documents making the basic points of this agreement concrete is now being prepared by the Government of the Kazakhstan Republic. Despite of the documents still being in the process of preparation and many problems not resolved, the Leninsk City Administration head estimated the situation in Baykonur as stable. In Brynkin's words, the document signed in Moscow on May 25 stipulates that the Kazakhstan Republic and the Russian Federation transfer the right to use the immovable, to use and possess the movable, property of the Baykonur launching site in their territory to the CIS strategic forces. According to the Article 5 of the agreement, proposals as to financing the maintenance of the Baykonur property and social and production infrastructure expenses are worked out by the space launching site commandment together with the local authorities, and approved of by the sides in the order established.

Socialist Leader on Nazarbayev 'Bonapartism'

PM1407095192 Moscow ROSSIYSKAYA GAZETA in Russian 27 Jun 92 First Edition p7

[Interview with Ye.K. Yertysbayev, secretary of the Kazakh Socialist Party Political Executive Committee, by S. Skorokhodov; place and date not given: "Bonapartism Instead of Singapore"]

[Text] "Strategy for the Formation and Development of Kazakhstan as a Sovereign State" has been published by all the republic's official newspapers. Its author is President Nursultan Nazarbayev. Is it a state document or the fruit of a specific individual's deliberations? Will the program be able to resolve the problems now facing Kazakhstan and remove the conflicts which are developing into mass rallies demanding the government's resignation? This was the subject of our conversation with People's Deputy Ye.K. Yertysbayev, secretary of the Kazakh Socialist Party Political Executive Committee and one of the leaders of the parliamentary opposition.

[Yertysbayev] I am concerned about the legal status of "Strategy." I only know two kinds of directive documents which must be implemented: first, presidential decrees—and even they must keep within the limits of the president's powers as stipulated by law, and second, government programs approved and ratified by parliament.

Any program which has not passed through the relevant authorities, as is done in all civilized countries, cannot be implemented.

[Skorokhodov] Nevertheless, both parliament and the press are unequivocal in their view of Nazarbayev's "Strategy" as a program document which must be unconditionally implemented rather than discussed.

[Yertysbayev] As a theoretical scheme and an abstract liberal theory, it is faultless. It is very intelligently written. Indeed, it is on a par with party programs

adopted in the past: the first, second, third, but none of them worked. It is already obvious that implementation of the new "Strategy" will encounter a mass of barriers on the way.

The fact is that the program takes absolutely no account of the distributive-leveling mentality which has developed among the overwhelming majority of people. Nazarbayev writes: "A number of countries all over the world have successfully implemented a strategy of rapid economic growth, including the FRG, Japan, South Korea, Singapore, Taiwan, and Hong Kong. Apart from their direct access to sea and ocean routes, the situation of these states at the beginning was in many respects inferior to Kazakhstan's present situation."

First, these countries had a civilized bourgeoisie, which had evolved over several generations and formed a vast stratum of entrepreneurs.

Second, the mighty American dollar was invested in the economies of the above countries in colossal amounts. That is not going to happen with us. Being of sound mind and memory, investors do not want to place their capital in a region with unpredictable politics, potentially complex interethnic relations, and millions of workers who do not have a clue about private ownership, labor discipline, or production organization.

We will be forced to rely on our own resources. The president understands this, but he still says in all seriousness that Kazakhstan will be an industrially developed power by the year 2010. That is objectively impossible, just another neocommunist myth. From this there follows the conclusion—not directly, but indirectly—that, in order to achieve such a noble aim, we can sacrifice the material, physical, moral, and spiritual state of millions of working people who are used to a totally different way of thinking and living.

And for what? So that we can become another Singapore, Hong Kong, or Taiwan? Who's objecting?! But we must go about it gradually and not organize another communist forced march. This is the most vulnerable point in "Strategy." Besides, the head of state must now discuss the most vital issues: our path of development in the immediate future and ways of extricating ourselves from the crisis.

[Skorokhodov] Is the president not to your liking?

[Yertysbayev] Nazarbayev the politician is a real fortune as far as Kazakhstan is concerned. His problem is that he has been unable to put together a strong team in his two years as president. Moreover, he has always relied exclusively on the party nomenklatura. Consequently, it seems to me that Yeltsin and Nazarbayev may simply not have enough time to realize the model of society they propose.

[Skorokhodov] Do you think it is unrealistic?

[Yertysbayev] I think we are moving toward too abrupt an integration with the capitalist world. With its totally uncompetitive output, our industry would soon simply collapse completely. In no country in the world has private ownership arisen on the basis of privatizing state enterprises.

Besides, how can we talk of privatization in the total absence of a market economy and with totally ineffectual laws? To say nothing of the corruption and awful tyranny of executive and administrative power at all levels, or the fact that yesterday's party nomenklatura is the main player in our so-called "market"! The honest entrepreneur is such a rare, even exotic creature that, at the moment, it would be ridiculous to base our policies on him. Objectively speaking, we are witnessing a process of transition from state socialism to state-party capitalism of authoritarian persuasion.

Nazarbayev no longer wishes to refer to socialism but does not yet want to speak of capitalism, toward which he is leading the republic. He also has not formulated his idea of a socially responsible state. He does not analyze or forecast the future, although, apart from the American model of society, we are also familiar with the Chinese, Swedish, and several other models of building a state with strong social guarantees for its citizens. It is time to make a choice. In Sweden, for example, the income of the richest person is twice as high as the income of the poorest—rather than 22 times as high, as in Kazakhstan.

Our Socialist Party is currently working on an alternative crisis management program, but that is certainly not the reason why I criticize the president. He relies exclusively on the state apparatus, and in political science this is described by a very definite term: "Bonapartism." Consequently, well familiar with the history of our state, I do not rule out the possibility of a very hard-line dictatorship being introduced throughout the CIS.

Tajikistan

Nabiyev Returns From CIS Talks, CSCE Summit

LD1407011592 Dushanbe Radio Dushanbe Network in Russian 1300 GMT 13 Jul 92

[Text] On 11 July, Tajikistan President Rakhman Nabiyev returned to Dushanbe. He participated in the talks of the heads of the CIS states in Moscow and the CSCE summit in Helsinki. At Dushanbe airport, the president and his entourage were met by Prime Minister Mirzoyev and First Deputy Prime Ministers Karimov and Gaforov.

Press Secretary on Visits

OW1307174492 Moscow INTERFAX in English 1604 GMT 13 Jul 92

[From the "Presidential Bulletin" feature by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko; transmitted via KYODO]

[Text] According to his press secretary, President Rakhman Nabiyev will shortly appear on the Tajik TV with an extensive review of his recent trips abroad, namely his visits to Iran and Pakistan, and his participation in the CIS summit in Moscow and the CSCE conference in Helsinki.

Nabiyev's press secretary specially pointed out the passage in the President's brief speech in Helsinki dealing with the position of the ethnic minorities in Tajikistan. Nabiyev emphasized, in particular, that Tajikistan differed from other "hot spots" in the sense that the strife taking place there at the moment was not between different ethnic groups but between different groups within the same nationality, the Tajiks. The President has invited the CSCE to send a special mission to Tajikistan to study the position of the republic's ethnic minorities on the spot.

Arms Cache Seized in Gun Battle on Afghan Border

LD1307124992 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1100 GMT 13 Jul 92

[From the "Novosti" newscast]

[Text] This morning an incident occurred on the Tajik-Afghan border. During the night, in Tajikistan's Kumsangirskiy Rayon, a group of local inhabitants attempted to cross the border from Afghanistan, the NEGA agency reports. A battle ensued between border guards and the trespassers. Two criminals were detained. The rest managed to return to the Republic of Afghanistan.

During the battle a group of local inhabitants, approximately 300 people, were drawn to the site where fire was exchanged. They started to demand that the trespassers be allowed into Tajikistan. Within half an hour another group made an attempt to cross the border from Tajikistan. Nine people were detained and a large batch of weapons confiscated. The situation on the border remains troubled.

Three Attempts To Cross Afghan Border Fail

OW1307222792 Moscow INTERFAX in English 1617 GMT 13 Jul 92

[Transmitted via KYODO]

[Text] On the night of Sunday/Monday [12-13 July] there were three attempts at illegal crossing of the Tajik-Afghan border on the section of the Pyandzh border guard unit: two were made by the Afghan side and one, by the Tajiks.

According to the border guards press service, 8 crossers were detained, and two died in firefights.

The groups that sought to cross into Tajikistan counted 15 members. Following the firefight, the group returned to Afghanistan, dropping three assault rifles, one Degtyaryov submachine gun, 10 hand grenades.

The border guards seized 130 USD [U.S. dollars] and household goods intended for exchange for weapons, from the group that tried to cross into Afghanistan.

Border guards claim that while in Kurgan-Tyube region smugglers went to Afghanistan to get arms and ammunition, in Pamir they were after illicit drugs. Around 5 bn. [billion] rubles of drugs has been seized from early July on the Pamir section of the border.

Armenia

Ministry Reports on Clashes With Russians

NC1307173992 Yerevan Armenia's Radio First Program Network in Armenian 1730 GMT 12 Jul 92

[Text] According to an Armenian Interior Ministry report, a group of servicemen on 11 July tried to remove a huge cargo of special communications equipment from Kumayri. Apparently, the equipment was seized or illegally acquired from an army unit and was destined to be sold.

Kumayri customs officers asked the servicemen to present documents from the General Staff of the 7th Army and the Armenian Defense Ministry approving the removal of the equipment. The servicemen, who witnesses said were not sober, got angry, refused to show the documents, jumped into their car, and tried to escape. Law enforcement representatives pursued them until they were near the city center, where, without any warning, the servicemen opened fire on the car chasing them, killing members of the law enforcement forces and a passerby. The law enforcers were compelled to open fire, and this tragic incident left five servicemen dead. Three law enforcers died, two were wounded; three innocent citizens died, and four were hurt. The details of the incident are being investigated.

The Russian press yesterday reported the incident in a provocative way. Usually, in such cases the reports of both sides are published, allowing television viewers or the law enforcement forces to draw their own conclusions. This incident is under investigation and only then can the innocent and guilty be determined. The Moscow news agencies rushed to put all the blame on the Armenians, not even mentioning that six Armenians were also killed. Moscow reported the incident just as they reported the Artik and Balahovit incidents.

Russian Units on 'Red Alert'

LD1307180892 Moscow Russian Television Network in Russian 1600 GMT 13 Jul 92

[From the "Vesti" newscast]

[Text] Armenia and Russia have exchanged official government documents in connection with the attack on Russian servicemen. The Russian Army on the territory of Armenia has been put on red alert.

Permanent Body Formed for Talks With Russia

NC1307182492 Yerevan ARMENPRES International Service in Armenian 1215 GMT 13 Jul 92

[Statement issued by Armenian Government Press Service; place and date not given]

[Text] An official delegation has been formed at the request of President Levon Ter-Petrosyan to conduct bilateral talks with the Russian Federation. It will be a permanent body that will meet with its Russian counterpart to examine practical matters pertaining to overall Armenian-Russian relations and increase cooperation.

State Minister Grigor Areshyan has been appointed head of the delegation.

Delegation Leader on Withdrawal From Talks

NC1307205892 Yerevan Armenia's Radio First Program Network in Armenian 1730 GMT 13 Jul 92

[Report by Zaven Karapetyan on a news conference held by Christian Ter-Stepanyan, leader of the Armenian delegation at the Rome talks, at the Armenian Foreign Ministry on 13 July—recorded]

[Text] As previously reported, the Armenian delegation has suspended its participation in the Rome consultative meeting, which was preparing for the Minsk conference. The Armenian delegation to the Rome conference was headed by Christian Ter-Stepanyan, director of the Foreign Ministry's European Department. Upon his return to Yerevan, he held a news conference and made a statement.

[Ter-Stepanyan, in French fading into Armenian translation] As the leader of the Armenian delegation to the Rome meetings, I want to tell you about what happened at the Rome conference last week. As you know, the Armenian delegation ended its participation on Sunday [words indistinct] when the conference presidium—especially its president, Mr. Rafaelli—refused to condemn the Azerbaijani aggression in Nagorno-Karabakh, particularly in Mardakertskiy Rayon. On Saturday, in the presence of a number of delegates, we asked Rafaelli to initiate a condemnation. We reminded him that the failure to condemn Azerbaijani aggression lead to the destruction and occupation of many villages in Shaumyanovskiy and Mardakertskiy Rayons. We also declared that Azerbaijan cannot be permitted to use the talks to gain time to resolve the Karabakh problem from a position of strength. The delegations should have expressed their concern on this matter. We decided to suspend our participation because the presidium failed to act.

Next, Ter-Stepanyan noted that Turkey was working energetically at the Rome conference. He also spoke about the results of the Helsinki conference, especially about Armenian Foreign Minister Raffi Hovannisian's meetings with his counterparts from Italy, Germany, France, and Sweden, and with U.S. Secretary of State James Baker. He detailed the range of subjects that were discussed.

Finally, Ter-Stepanyan said that the Armenian delegation's decision on whether or not to return to Rome on 15 July will depend on the positions adopted by the members of the Minsk conference on Azerbaijan's aggression against Nagorno-Karabakh.

Referring to Nagorno-Karabakh's participation and status at the Minsk conference, Ter-Stepanyan noted that there is (?little) likelihood that it can convene without Karabakh. Ter-Stepanyan then answered reporters' questions.

Bagratyan, Delegation Visit Nagorno-Karabakh

NC1307164392 Yerevan Armenia's Radio First Program Network in Armenian 1730 GMT 12 Jul 92

[Text] An Armenian Government delegation led by Deputy Prime Minister Grant Bagratyan is currently visiting the Nagorno-Karabakh Republic. This morning they visited Stepanakert's No. 5 kindergarten, where refugees from Mardakertskiy Rayon are staying. The deputy prime minister promised to help them in every way possible with their social and economic problems.

In the afternoon, Bagratyan and State Minister Gevorg Vardanyan visited Askeran where they met with freedom fighters on the front lines.

UN Chemical Weapons Experts Arrive in Yerevan

NC1307163892 Yerevan Armenia's Radio First Program Network in Armenian 1730 GMT 12 Jul 92

[Text] A group of UN experts has arrived in Yerevan at the invitation of President Levon Ter-Petrosyan to study the use of chemical weapons by the Azerbaijanis during the Armenian-Azerbaijani clashes.

Bagratyan Sees Economic Crisis Until 1995

OW1307171092 Moscow INTERFAX in English 1617 GMT 13 Jul 92

[Transmitted via KYODO]

[Text] If urgent measures are not undertaken in the near future the economic crisis in Armenia may continue in 1993, in 1994 and even in 1995, said the republican Vice Premier Grant Bagratyan addressing the session of the Armenian Supreme Soviet on Monday in Yerevan. He presented a social-economic programme of Armenia for the second half of 1992 to the parliamentarians.

Bagratyan qualified the economic situation over the last 6 months as "extremely tough" stating the need to continue the economic reform.

According to Bagratyan, the gas blockade of Georgia by North Ossetia has adversely affected the economic situation and as a result Armenia was also deprived of gas. "If the situation were normal the republic's economy would have improved and increased its tempo", the Vice Premier said.

Speaking on the forecasts for the second half of 1992, Bagratyan declared that the recession of the industrial production will continue, the financial status of the republic will worsen, unemployment will grow, the solvency of population will be lowering. He said that the government will try to increase the average level of wage to 1290, and the minimum wage - to 900 roubles a month. Bagratyan also reported that balance of payments will be worsening in the second half of the year, its deficit already constitutes 14 billion roubles. The Vice Premier underlined the need of an urgent release of all prices and warned about a new increase of prices in August-September as a consequence of increase of fuel and energy's cost in Russia.

Azerbaijan

Foreign Minister Comments on Russian Proposals

TA1307182392 Ankara TRT Television Network in Turkish 1700 GMT 13 Jul 92

[Text] The Russian Government has submitted to the appropriate parties a package of measures to resolve the Karabakh problem. According to ANATOLIA AGENCY, Tofik Gasymov, the Azerbaijani minister of foreign affairs, said he believes the problem can be resolved within the framework of the CSCE and, therefore, the package in question should be submitted to the CSCE and not to the parties involved. Gasymov, who said that he can support unconditionally only that article calling for an immediate Armenian withdrawal from Shusha and Lachin, did not give any information concerning the other articles.

Armenian Attack Repelled; Casualties Noted

TA1307181792 Ankara TRT Television Network in Turkish 1700 GMT 13 Jul 92

[Text] The Armenian attack on Karabakh and along the border has been repelled by the Azerbaijani Turks. Yavuz Yorulmaz reports from Baku:

The Armenian offensive, which started last night, continued throughout the day. According to information we obtained from the Azerbaijani Defense Ministry Press Center, the Armenians have opened fire on Agdam with Grad missiles. Units belonging to the Azerbaijani National Army have destroyed Armenian tanks and armored vehicles near (Hanabat) in this region.

Throughout the day, the Armenians fired on Azerbaijani forces in the Kelbadzhar region from the villages of (Hirmibon) and (Vagauz). Two Azerbaijani Turks were killed and six injured in the clashes. Armenian gangs opened fire with mortars and heavy artillery on the Terter, Fizuli, and Dzhebrail regions in Azerbaijan and on various settlements in the Tauz, Zangelan, Kubatli, and Gedebey regions on the border. The Armenians were forced to withdraw as a result of the counteroffensive of the Azerbaijani National Army.

Helicopter Attack on Arms Dump Protested

LD1307191392 Moscow ITAR-TASS World Service in Russian 1820 GMT 13 Jul 92

[By AZERINFORM TASS correspondent Dilyar Efendiyev]

[Text] Baku, 13 Jul (ITAR-TASS)—"The Azeri Defense Ministry has lodged a protest to the leadership of the Transcaucasus Military District stating that it will place all the arms dumps on Azerbaijani territory under its own guard, with a view to preventing provocations," a statement by the Republican Defense Department says. The statement was circulated through the AZERINFORM agency today.

The statement says that between 1500 and 1700 today an officer of the Transcaucasus Military District arrived by helicopter at the arms dumps of the Transcaucasus Military District, guarded by a Russian airborne assault division. He confiscated the documents belonging to the munitions dumps and then his helicopter took off. The document says that the helicopter shelled the premises from the air, causing a fire in one of the buildings. It took six hours for the assault troops to put out the fire, thus preventing the main buildings from exploding.

In the statement, the Azerbaijani Defense Ministry demands that the Russian Military Department immediately send a commission to conduct an inquiry into the causes of the fire.

Bush Phones Elchibey, Refuses Assistance

PM1007102792 Moscow IZVESTIYA in Russian 9 Jul 92 Morning Edition p 1

[ANI report: "Bush Has Talked Sharply With Elchibey"]

[Text] The United States has refused to render humanitarian aid to Azerbaijan because of the republic's continuing military operations in Nagorno-Karabakh.

This became known after a telephone conversation between U.S. President George Bush and Azerbaijan President Abulfaz Elchibey on 6 July. Azerbaijani radio has reported that Bush had also "threatened" Elchibey with the "application of other sanctions" against the republic.

Envoy Announces Visa-Free Travel to Turkey

PM0907134192 Moscow KOMSOMOLSKAYA PRAVDA in Russian 3 Jul 92 p 1

[RIA report under the "Just the Facts" rubric: "Transparent Borders"]

[Text] Azerbaijani citizens can leave for Turkey without visas, Altan Karamanoglu, the Turkish ambassador in Baku, announced on television. "Following a request from the Azerbaijani Government," he said, "passports are currently being issued free in Turkey for the 7 million people of this republic. They can be used without a visa by Azerbaijani citizens who want to go to Turkey and stay there for 30 days without hindrance."

President Gives Authority to Local Officials

OW1007173692 Moscow INTERFAX in English 1529 GMT 10 Jul 92

[By Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin, edited by Boris Grishchenko; from "Presidential Bulletin"; transmitted via KYODO]

[Text] A new political force gaining power has to strengthen its positions in local authorities - was declared by the State Counsel on local administrations Arif Gadjiyev in an interview with INTERFAX. He described the current overhaul of personnel in local authorities as revolutionary. By the end of that process, he said, President Elchibey will be able to rely on effective implementation of his decrees.

So far, explained Gadjiyev, the cadres have been selected along the lines of personal allegiance or even corruption instead of ability or political principle.

Now the local posts should be filled with people of ideas and moral precepts who could realize the programme of the new political forces that have come to power. Gadjiyev finds such a situation only "natural".

Georgia

Further on Kidnapped Deputy Prime Minister

LD1307210392 Moscow Russian Television Network in Russian 1900 GMT 13 Jul 92

[From the "Vesti" newscast]

[Text] According to reports from Georgia, there are plans to move Vice Premier Aleksandr Kavsadze, who was kidnapped, to Groznyy for a meeting with Gamsakhurdia.

Kitovani on Cooperation in Border Demarcation

LD1307194892 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1700 GMT 13 Jul 92

[Report by correspondent N. Gongadze over video from Georgian television; from the "Novosti" newscast]

[Text] As agreed, the Georgian positions have been moved 15 kilometers from Tskhinvali. Joint peacekeeping battalions will arrive here tomorrow morning.

Meanwhile, some Ossetian fighters continue to fire on passing cars driven by civilians. Three residents of the village of Guri-dan-Tkari were killed yesterday. A woman and her eight-year-old son had a miraculous escape. The strength of the Georgian detachment in the demarcation corridor will be 200 men.

[Georgian Defense Minister T. Kitovani] There are approximately 30,000 people living in Tskhinvali, so there is no need at all to have 1,500 people. About 500 to 600 people would be able to deal with the problem.

[Gongadze] Does this mean that the Georgian side is hindering this process or may disrupt it?

[Kitovani] On the contrary. I would put it this way: Our people are ready, particularly because the troop withdrawal has been carried out at an agreed time. So far, we have not deviated from the agreements reached in Vladikavkaz, Tbilisi, and Dagomys—not a single step.

Ossetian Peacekeeping Force To Be Deployed

LD1407084392 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 0500 GMT 14 Jul 92

[From the "Novosti" newscast]

[Excerpts] Joint peacekeeping forces are to be deployed to help resolve the Georgian-Ossetian conflict. [passage omitted]

The first forces will be units from the 104th Pskov paratroop regiment. A battalion of Georgian guardsmen will move up from the south to occupy predefined positions. Russian and Ossetian battalions will move out from Vladikavkaz.

Incidentally, the Ossetian battalion has been recruited on a contractual basis. It comprises Russians, Ossetians, Armenians, Ukrainians, and people from other nationalities living in Ossetia. The battalion also includes units from the Tersk Cossacks.

The joint peacekeeping forces have a fairly solid status and will be taking tough measures. Firing positions that they identify will be immediately and forcibly suppressed. The 1,500-strong contingent has modern hardware, arms, helicopters, and communications at its disposal.

According to Georgian Defense Minister Tengiz Kitovani, however, the numerical strength of the forces being deployed in the conflict zone is out of proportion to the situation there and could be reduced by about half. Kitovani also has confirmed that within the next 24 hours the forces will be brought into the confrontation zone. According to the plan, the economic infrastructure in Tskhinvali and other populated areas of South Ossetia will be restored beginning tomorrow. Gas, water, and electricity supplies must be restored and all arterial roads cleared.

The experience of the joint peacemaking forces might be put to use in other troublespots of the former Soviet Union.

Peacekeeping Arrangements Viewed

PM1407105192 Moscow KRASNAYA ZVEZDA in Russian 14 Jul 92 pp 1, 3

[Report by special correspondents Major A. Petrov and Captain V. Strugovets: "Georgian and Russian Peacekeeping Forces To Enter South Ossetia Today"]

[Text] **For the Record**

By decision of the mixed supervisory commission, an area within 15 km around the center of Tskhinvali has been declared a conflict zone, and a zone 14 km wide (7 km in each direction) along the administrative border of what was South Ossetia Autonomous Oblast has been declared a buffer zone. ["For the Record" ends]

According to the plan for the mixed peacekeeping forces, the 104th Russian Paratroop Regiment, which arrived in Vladikavkaz Friday, and a Georgian peacekeeping battalion will be brought into South Ossetian territory 14 July.

An Ossetian peacekeeping battalion will enter the zone a day after the Russians, following their route exactly.

The mixed forces' command post will be located at the 292d Helicopter Regiment's base in Tskhinvali.

The arrival of the peacekeeping forces will be covered by the Air Force and, up to the border with South Ossetia, by Russian MVD [Ministry of Internal Affairs] Internal Troops and North Ossetian security forces and militia.

For the Record

The mixed forces' zones of responsibility are as follows (there may be changes): Russia (104th Paratroop Regiment):

1st Paratroop Battalion—Prisk-Yeredvi-Dmenisi;
2d Paratroop Battalion—Tamarasheni-Kekhvi-Ugardanta;
3d Paratroop Battalion—the Kvemo-Nikozi area.

Georgia: Kere-Pkhvenisi-Breti.

Ossetia: Khetagurovo-Devileti-Znauri. ["For the Record" ends]

A standard recognition signal has been established for all the mixed troops—a blue band on helmets and on the side of vehicles, and a blue chevron on the sleeve.

The mixed supervisory commission has decided that troops will be deployed in encampments outside population centers. The commanders will be completely responsible for establishing contacts with the local authorities and residents and with the field commanders of the illegal armed formations still in existence.

The peacekeeping forces have been authorized to check documents and inspect transport, and have been given the right to return fire.

For the Record

The salaries of members of the mixed peacekeeping forces are as follows:

Private—8,000 rubles [R]
Squad commander—R8,200
Platoon deputy commander—R8,300
Platoon commander—R9,000
Company commander—R9,500
Battalion commander—R10,000
Observers—R9,500

All former salaries are also retained. Insurance polices are being set up in respect of service in the mixed peacekeeping forces. ["For the Record" ends]

We interviewed a few people the day before the peacekeeping forces were brought in:

Colonel General Georgiy Kondratyev, Russian deputy defense minister:

"We will try to do everything to qualitatively implement the Dagomys agreements and the instructions of the Russian and Georgian Governments. That is why we held a tripartite meeting of the subunits' commanders to organize close cooperation. I personally am convinced that the peacekeeping mission will be carried out."

Akhsarbek Galazov, chairman of the North Ossetian Supreme Soviet:

"Politicians' efforts to resolve the conflict in South Ossetia have finally taken the form of specific actions. But we can only provide full guarantees that the plan will be carried out if the population of South and North Ossetia and Georgia most actively join in the reconciliation process."

Sergey Khetagurov, chairman of the North Ossetian Council of Ministers:

"I am sure that the introduction of peacekeeping forces into South Ossetia is today being watched with particular attention by people in the other 'hot spots,' who view what is happening as a kind of test medium for the settlement of conflicts. I very much hope that we will succeed in doing this."

Artovazd Vartanyan, colonel of the reserve and chief of staff of the tripartite peacekeeping forces' composite detachment:

"All the national formations have one task: to ensure peaceful conditions in the South Ossetian region. The battalions are not going there to fight on anyone's side, they are going in peace."

[KRASNAYA ZVEZDA] How do you, as chief of staff of the whole detachment, view the organization of cooperation between the battalions?

[Vartanyan] Without doubt, organizing cooperation between battalions from different states poses a difficult problem. But we have tried to make provision for every eventuality. I have two deputies from the Ossetian and Georgian sides, two rear services deputies, and other posts have also been distributed among the Ossetians and Georgians.

[KRASNAYA ZVEZDA] How will the formation be funded?

[Vartanyan] All the financing is divided equally between Georgia and Ossetia. As far as I am aware they are also paying for the upkeep of the Russian battalions. [Vartanyan ends]

Meanwhile, volunteers from the Ossetian peacekeeping battalion were reviewed 12 July. The battalion comprises roughly 600 men. The rest, more than 800 in all, have been weeded out by security bodies.

Thus, the mixed peacekeeping forces are today entering South Ossetian territory. We are also heading there with the Russian airborne regiment.

Shevardnadze Views South Ossetia Settlement

LD1107172292 Budapest MTV Television Network in Hungarian 1940 GMT 10 Jul 92

[Excerpts] Eduard Shevardnadze, chairman of the Georgian State Council, explained to our viewers the Georgian position on the South Ossetian crisis:

[Begin recording] [Shevardnadze, in Russian with superimposed Hungarian translation] In the present period of settlement we urge the establishment of a cease-fire. The soldiers have met, that is, the commanders of the Ossetian and Georgian units. They have agreed in principle to implement the accord concluded in Sochi which contains the principles of settlement. The next step would be the formation of a corridor that would separate the warring sides. The refugees could return home. An observation center should also be set up.

[Unidentified correspondent] Would this corridor be on the border of Ossetia?

[Shevardnadze] No, no, where the firing line is, on the line where the clashes are taking place. The next step would be the return of the refugees and the rebuilding of towns and villages. This is not a simple question either. It is not a simple process, it will take time. [passage omitted]

[Correspondent] What is your opinion about certain Ossetian leaders urging separation from Georgia?

[Shevardnadze] I think they realize that this is not realistic. Those who think this way probably do not want a settlement. These people have selfish aims, but this does not worry me the most. It is the opinion of certain leaders of Russia that worries me, those who do not exclude the possibility of annexation of this Georgian

territory. [passage omitted] I believe that this is not only not sensible but simply inadmissible in intergovernmental relations.

[Correspondent] Do you feel that there is a type of colonial pressure from Russia ?

[Shevardnadze] These kind of statements betray a colonial mentality. I can find no other explanation. But since I met with President Yeltsin in Sochi, the activity of these people has decreased and I think that the talks in Sochi provide a good basis for the settlement of the conflict and for the normalization of relations between Georgia and Russia. [end recording]

Calls Ossetian Problem 'Complicated'

AU1307092292 Budapest NEPSZABADSAG in Hungarian 7 Jul 92 p 6

[Interview with Georgian President Eduard Shevardnadze by Demeter Pogar; place and date not given: "Georgia Will Keep Its Independence"]

[Excerpts] The world came to know Eduard Shevardnadze as the foreign affairs minister of the Soviet Union. The popular politician returned to his homeland and now he is the president of Georgia, which does not want to join the Commonwealth of Independent States [CIS]. The staff of Hungarian Television's "Panorama" program made the following interview with him.

[Pogar] Eduard Amvroseyevich, what is the solution to the Ossetian problem? Do you want to restore their autonomy or will it, perhaps, be a federation? Georgia is a country with many nationalities, and the Ossetians are not the only ones who have a problem.

[Shevardnadze] This is a complicated problem for us, very complicated. Now the whole issue has become even more complicated, and there is no clear solution. Therefore, I am in favor of a solution in stages. In the current stage, a cease-fire is on the agenda. The military representatives have met, and the commanders of the Ossetian and Georgian troops have met and agreed in principle on implementing the Sochi agreement, which contained the principles of the settlement. The next stage would be the establishment of a corridor that would separate the opposing sides, then the return of the refugees, the establishment of an observation center....

[Pogar] Would the corridor be at the border of Ossetia?

[Shevardnadze] No, it would be at the line of fire, at the line of opposition, where the combat is going on. The next step is the return of the refugees, and the restoration of the towns and villages. This is not a simple issue or an easy process, and it will take time. The rest could follow. The most burning issues have to be resolved now, and the most important thing is to end the armed combat. We must put a stop to human sacrifices.

[Pogar] What is your opinion of the demand of certain Ossetian leaders who want to separate from Georgia?

[Shevardnadze] I think they also know this is not the ideal solution. People who hold this view probably do not want the settlement. These people have other, selfish aims. However, it is not this that is worrying me but the views of certain Russian leaders who do not exclude the possibility of attaching these areas....

[Pogar] Are you thinking of Rutskoy?

[Shevardnadze] Of him and others who have made statements not excluding the possibility of attaching this area to Russia. In my view, this is not only unwise but simply impermissible in interstate relations.

[Pogar] Do you feel that Russia is exerting an imperial pressure?

[Shevardnadze] Such statements represent an imperial way of thinking. I cannot find another explanation. The activity of these people, however, has noticeably decreased after our meeting with President Yeltsin in Sochi. In my view, the Sochi agreements have provided a good basis for settling the conflict and for normalizing relations between Georgia and Russia.

[Pogar] The attack against the television center in Tbilisi shows that Georgia is not calm, either, and that it is also divided. There are many armed groups in Georgia that are not subordinated to any kind of central power. What possibilities do you see for settling the situation in Georgia?

[Shevardnadze] Actually, after 24 June, it is not very logical to talk about relative stability. However, I must say that when I came here—and why I came here—there was a real danger of a civil war. Georgian society was indeed divided into two then. This last adventure showed, though, that consolidation has taken place in the Georgian nation, within Georgia. You have been to town and met people. Have you met anyone who supports the extremists?

[Pogar] No, I have not met such people, but I have spoken to some who still think that Gamsakhurdia is the legally elected president. The elections are coming soon. Will Gamsakhurdia be given a chance to enter as a candidate for the presidency?

[Shevardnadze] In my view, criminal proceedings have been started. I do not know what the evidence is. The general prosecutor thinks that a serious crime was committed. I do not think that the former president has a moral or real right to participate in the elections because it has become clear that he himself directed that attack of bandits against the television.... [passage omitted]

[Pogar] Georgia was one of the first countries to leave the Soviet Union. Now the CIS has been established. Would Georgia like to join this union?

[Shevardnadze] No, the people would not support this idea just now. I also hold the view that this would not mean anything extra for Georgia. This is by no means an obstacle to forming good relations with Russia, Ukraine,

Kazakhstan, and the neighboring states. In fact, we might now be able to establish much closer links with these states than within the conditions of some community. [passage omitted]

[Pogar] Tell me please, what kind of foreign policy orientation will Georgia have? There are many factors. One, for example, is the Muslim factor, which is very much feared in Armenia. Another interesting question is whether Georgia wants to join the congress of Caucasian peoples as suggested by General Dudayev. What direction will Georgia take?

[Shevardnadze] We turn toward our friends in Europe, the United States, and Russia. We will establish good relations with Russia. Recently, we also met with Ukrainian President Kravchuk. It was a splendid and useful meeting, and we agreed on many issues. We are also turning toward our friends in Turkey. We have recently held talks with Prime Minister Demirel. We agreed that he would visit Georgia. The prospects are very good in the case of Iran, Armenia, and Azerbaijan. We are not thinking only in one direction. Our geographical and geopolitical situation alone encourages us to try to find the right balance, be friends with everyone, work together, learn to cooperate with every single country, and to be useful members of the region and, to a certain extent, the whole world. [passage omitted]

Shevardnadze Meets U.S. Delegation in Tbilisi

OW1207131892 Moscow INTERFAX in English 1541 GMT 11 Jul 92

[Transmitted via KYODO]

[Text] In Tbilisi on Sunday the chairman of Georgia's State Council Edward Shevardnadze received an American delegation led by Senator Larry Pressler.

They discussed the socio-political and economic situation in Georgia and the armed conflict in South Ossetia. L. Presler confirmed America's willingness to grant Georgia economic and political aid.

Shevardnadze Evaluates Helsinki Summit Results

OW1107161492 Moscow INTERFAX in English 1415 GMT 11 Jul 92

[Transmitted via KYODO]

[Text] At today's session of Georgia's State Council its chairman Eduard Shevardnadze, back from Helsinki last night, has informed its members of the results of the CSCE summit.

In his opinion, the Helsinki summit has adopted "extremely important documents which have vital interest for Georgia". "The main point", he stressed, "is that Georgia has become a full-fledged member of the CSCE and is taking part on equal terms in the European process, which has long been its people's dream".

With that, Shevardnadze urged close attention to the problems of ethnic minorites and human rights. "Europe believes that Georgia will be able to settle peacefully the conflict in the Tskhinvali region", he said.

E. Shevardnadze has highly evaluated his meetings in Helsinki with the U.S. President George Bush, the FRG Chancellor Helmut Kohl, Russia's President Boris Yeltsin, also the British, Spanish, Turkish, and other leaders.

Estonia

Ministry Regrets Russian Counterpart's Statement

OW1307235092 Moscow BALTFAX in English 1634 GMT 13 Jul 92

[Transmitted via KYODO]

[Text] The Estonian foreign ministry has expressed regret over the statement made by the Russian ministry of foreign affairs on July 1. Such steps taken by Russia, the Estonian diplomats maintain, "may have a negative effect on the relations between the two countries".

On July 1, the Russian ministry of foreign affairs circulated a statement which questioned the validity of the referendum on the republic's new constitution staged in Estonia on June 28, motivating its concern by the fact that eligible to the referendum were only the persons, who were citizens of the Estonian Republic of 1918-1949, and their direct descendants (nearly 30% of the republic's population).

In their return statement, the Estonian ministry of foreign affairs avers that the Declaration of Estonia's Supreme Council of August 20, 1991, proclaims independence of the state of Estonia incepted in 1918. Therefore, the fact that eligible to the referendum on the republic's constitution were only the citizens of the Estonian republic, the statement went on, was fully founded legally and had no alternative.

Iranian Delegation Meets Trade, Foreign Ministers

LD1307084192 Tallinn Radio Estonia in English 1520 GMT 10 Jul 92

[Text] An Iranian delegation visiting Estonia on 8 and 10 July met the Estonian Deputy Foreign Minister Trivimi Velliste and Trade Minister Andres Tamm in Tallinn yesterday.

The delegation is headed by Morteza Bank, a general director of political department for East Europe at the Foreign Ministry of Iran. At talks with Mr. Velliste an agreement was reached on diplomatic relations to be established between the two countries in the near future.

The Iranian delegation is scheduled to have meetings on Friday [10 July] with the President of the Estonian Chamber of Trade and Industry Mr. (?Peeter Tamoil), the deputy minister for industry and energy (?Arve Hambor), and the deputy minister of economics Andres Bergmann.

French Delegation Views Russian Military Bases

LD1307085592 Tallinn Radio Estonia in English 1520 GMT 10 Jul 92

[Text] A French Defense Ministry delegation comprising three lieutenant colonels and four colonels arrived in Tallinn on Wednesday [8 July]. According to the deputy head of General Staff of the Estonian Defence Forces (?Raul Luks) the French delegation during the visit will have a first hand view of the condition in which Russian forces hand over the military bases to Estonia.

The delegation after the visit is assigned to submit a report to the French Defence Ministry along with suggestions on what kind of help France could render to Estonia's defence forces.

The French officers are scheduled to visit the former Soviet military college in Jerkola today to see the damage inflicted by Russian military before leaving.

Paramilitary Defense Union To Improve Discipline

OW1407134092 Moscow BALTFAX in English 1323 GMT 14 Jul 92

[Transmitted via KYODO]

[Text] On July 13, the Estonian Prime Minister, Tiit Vahi, met with Major Manivald Kasipold, commanding officer of the Estonian paramilitary formation Kaitseliit (Defense Union), and chiefs of the Kaitseliit regional organizations. At the meeting, the prime minister was bringing to order the Kaitseliit commanders pointing to the need to strengthen discipline in their units.

Soon after the meeting, Major Kasipold relieved the commander of the Harju regional Kaitseliit detachment of his duties for "failure to control his subordinate personnel and insure discipline in the detachment". BALTFAX reported earlier that on July 10, in the vicinity of Haapsalu (western Estonia) Harju reginal Kaitseliit guardsmen ambushed and fired at three Russian trucks with soldiers on board. A little while before that, Harju Kaitseliit guardsmen, reportedly, confiscated an army truck. In June, Kaitseliit regional chiefs made a scandalous statement pledging to "contine armed struggle against the occupational forces". Following the July 10 incident, the Estonian Government had to make a public statement in which it denounced the Kaitseliit activities.

Minister Comments on Authority Over Armed Forces

OW1307235292 Moscow BALTFAX in English 1634 GMT 13 Jul 92

[Transmitted via KYODO]

[Text] The Estonian Defense Minister Mr Ulo Uluots said in an interview to a BALTFAX correspondent: "I don't know who our armed forces and the Kaitseliit report to".

The minister admitted that the recent session of the Estonian government failed to adopt the Statute of the Ministry of Defense. "The government presumed that the Estonian armed forces and the Kaitseliit (volunteer paramilitary organization) would not be subordinate to the ministry of defense, therefore it refused to pass the earlier proposed Statute of the Ministry of Defense," the Estonian defense minister said.

Mr Uluots suggests that the ministry of defense is being looked at as an agency which would only be involved in logistics of the defense forces.

In the meantime, Colonel Ants Laaneots, chief of the Main Headquarters of the Estonian defense forces indicated to BALTFAX that the answer as regards the chain of command of the Defense Forces and the Kaitseliit is outlined in the text of the republic's new constitution which reads that the republic's Defense Forces and the Kaitseliit will report to the republic's president and a coordinating organ under it—the Defense Council.

Colonel Laaneots had to admit, however, the presence "of legislative vacuum in the area of the relations between the Main Headquarters of the Defense Forces and the Estonian Ministry of Defense".

Earlier, some of the Kaitseliit detachments perpetrated bandit attacks at the Russian army units stationed in the republic. The Estonian government, too, had to qualify those acts as provocative.

Latvia

Government Announces Fires 'Under Control'

LD1307153292 Helsinki Suomen Yleisradio Network in Finnish 1300 GMT 13 Jul 92

[Text] The Latvian Government has announced that the forest and marsh fires are currently under control. The forest fires have spread in the Novgorod region in Russia, bordering on Estonia. Over 500 hectares of marsh and forest is on fire. About 800 people are taking part in fighting the fires. Troops from the Leningrad Military District are also taking part in fighting the fires.

There are also fires near St. Petersburg. On 13 July alone, 35 fires broke out. The military authorities say there are no signs of the fires spreading.

Fires May Spread

LD1307171192 Riga Radio Riga Network in Latvian 1300 GMT 13 Jul 92

[Text] The danger of further expansion of the forest fires has, on the whole, been eliminated. This is what workers at the operation headquarters of the republic's fire-fighting and rescue department told our correspondent.

At the Slitere nature reserve, the rain that has lasted for more than an hour has helped achieve this. However, in 18 percent of the burned territory, the fire is still smoldering and smoking. It could therefore spread under the effect of a strong wind, which still exists, and the larger hot spots are being watched and put out by about 500 residents from neighboring Talsi, Tukums, and Ventspils and 15 water tankers. It has been calculated that approximately 3,860 hectares of forest have been burned in Slitere.

In turn, in Riga rayon the biggest fire is still at the Adazi military range near Seja. This is being contained by the people of the enterprises of the city and rayon of Riga. Around 1,200 hectares of forest have been burned there.

A few hours ago a session of the Riga rayon's state of emergency commission took place at which a resolution was adopted to prohibit cars from entering the forests near Riga and also to stop berry pickers from visiting the forests because on Sunday [12 July], small forest fires broke out in 13 places. For disregarding this order, guilty motor vehicle drivers will be fined 500 rubles and those walking into the forests 50 rubles. This money will be collected right on the spot by police workers, forest guards, and the land defense workers.

Lithuania

Vagnorius Receives No Confidence Vote

LD1407150692 Vilnius Radio Vilnius Network in Lithuanian 1400 GMT 14 Jul 92

[Text] It has been a very busy day at the Lithuanian parliament today. Having discussed the answers given by the prime minister to the interpellation presented by the Supreme Council National Progress faction and on the basis of the material presented by the Lithuanian Supreme Council economic and budget standing commissions as well as that submitted by the Lithuanian General Procuracy, the Supreme Council decided to express a vote of no confidence in Gediminas Vagnorius, prime minister of the Republic of Lithuania.

In a secret ballot, 69 deputies voted in favor of this resolution and six deputies voted against. Two voting papers were declared void.

I would like to draw your attention to the following detail concerning the ballot: As I have already mentioned, 69 deputies in a secret ballot expressed a vote of no confidence. However, later, at 1500, when the deputies gathered for the afternoon session, the above resolution was confirmed by the deputies while adopting a decision. This time the vote was taken by raising their cards. A total of 94 deputies took part in the voting and only 64 voted in favor of no confidence in the prime minister. So four deputies are somehow changing their opinion.

One way or another, however, it looks as if the future of the prime minister has been decided. What final decision the deputies adopt as to who will take on the duties of the government leader remains unclear, however, because the deputies were engaged in the afternoon session in debates on the issues of holding elections in the south-eastern region of Lithuania. However, until the break at 1630, no specific date had been set. Therefore, when they return to the session at 1700 they should decide when the elections should be held in Salcininkai and Vilnius rayons. Following this, they will continue to discuss the problems of state control.

At noon today the Vilnius City Sajudis Council invited all of its supporters to attend Independence Square to protest the parliamentary session and the process of interpellation to Prime Minister Gediminas Vagnorius.

As usual, a group of people gathered in the square—elderly women with umbrellas carrying the same slogans: Communists Out!

Government Denies Claims Against Prime Minister

OW1407135092 Moscow BALTFAX in English 1206 GMT 14 Jul 92

[Transmitted via KYODO]

[Text] The Lithuanian Government Information Bureau has denied the report carried by the "RESPUBLIKA" daily paper in which the republic's Vice Premier Zigmas Vaisvila alleged that Prime Minister Gediminas Vagnorius, Minister of Material Resources Vilius Zidonis, and other government officials had long been patronizing the transition of the Lithuanian oil production capabilities into the hands of private owners.

The Information Bureau qualifies these allegations as a premeditated distortion of facts for the purpose of compromising the republic's government figures.

Government Declares 'Natural Disaster Zone'

LD1307205492 Vilnius Radio Vilnius International Service in Lithuanian 2100 GMT 10 Jul 92

[Excerpts] The Supreme Council of the Republic of Lithuania has declared Lithuania a natural disaster zone. The Supreme Council adopted the decision following a report by Agriculture Minister Rimvydas Survila concerning the drought consequences in Lithuania.

The decision by the parliament tasks the government to prepare, prior to next Tuesday [14 July], a program of immediate measures and to establish a special state fund for partial compensation of the drought [word indistinct] losses.

According to experts' estimates, the losses incurred as a result of the drought in Lithuania will amount to at least 22 billion rubles. According to the Ministry of Agriculture, 11 billion rubles will be required as minimum compensation to agriculture. [passage omitted]

Lithuania is forced to seek speedy aid because of the protracted drought which, in the opinion of experts, will decrease Lithuania's grain harvest by half. [passage omitted]

Landsbergis Meets With Ukrainian President

LD1307125192 Vilnius Radio Vilnius International Service in Lithuanian 2100 GMT 10 Jul 92

[Text] The Supreme Council chairman of Lithuania has met with Ukraine President Leonid Kravchuk. Lithuanian Foreign Minister Algirdas Saudargas and Lithuanian Ambassador Valdemaras Katkus also took part in the meeting.

They exchanged information on the internal situation in Lithuania and Ukraine and also concerning those countries' economic relations with Russia.

In the course of the meeting, financial accounting between Lithuania and the Ukraine was discussed. It was agreed to begin, without delay, preparation of an agreement on accounting in 1993.

The two sides agreed on the need to prepare a Lithuania-Ukraine political agreement as soon as possible.

President Leonid Kravchuk stated that Ukraine desires good and friendly relations with the Republic of Lithuania.

Landsbergis Comments on Helsinki Agreements

OW1307231992 Moscow BALTFAX in English 1634 GMT 13 Jul 92

[Transmitted via KYODO]

[Text] Speaking at today's press conference in Vilnius, head of the Lithuanian parliament Vytautas Landsbergis quoted Article 15 of the Helsinki Political Declaration, as requiring "immediate coordination of timetables for a rapid, organized, and unconditional withdrawal of foreign troops from the Baltic countries". The Lithuanian leader made a special emphasis on the efforts the Swedish and Finnish governments had gone to in order to select the right wording for this clause to satisfy the demands of the Lithuanian side. Mr Landsbergis avers that based on the results of the referendum conducted on June 14 regarding the pullout of the Russian troops from the territory of Lithuania and proceeding from provisions of the Helsinki document, the army of the former Soviet Union from Lithuania should leave the country this year.

In the words of the head of the Lithuanian parliament, on the last day of the Helsinki summit Russian President Boris Yeltsin, in an informal discussion, conceded that as regards the withdrawal of the Russian troops from the Baltics, "It would be necessary to work out their withdrawal timetable and go ahead with it."

Mr Landsbergis observed that in the course of their meeting with George Bush, the leaders of the Baltic states pledged that the US President would be regularly briefed on the movements and other operations of Russian troops on the territory of the Baltic countries.

Mr Landsbergis also indicated that beginning this week, the Lithuanian experts in cooperation with their Ukrainian counterparts will start preparing friendship, cooperation and trade agreements between the two countries. The sides claim to expedite the procedures for nullifying their mutual debt. A tentative agreement in that regard was reached in Helsinki during Mr Landsbergis' meeting with Ukrainian president Leonid Kravchuk.

French Frigate in Klaipeda on 'Friendship' Visit

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[Text] On Saturday [11 July] the chairman of Lithuania's parliament with Mrs. Vytautas Landsbergis and Foreign Minister Algirdas Saudargas visited the French frigate "Lieutenant de Vasseau le Henaff" which had come to the port of Klaipeda for a 5-day visit of friendship. The ship's crew, 93 sailors, will join festivities to be held on the occasion of France's national holiday, Bastille Day.